

Oriental Aromatics

Ref: OAL/BSE/NSE/28/2021-22

02nd July, 2021

To
The Manager
Department of Corporate Services,
BSE Limited,
Phiroz Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001
Scrip ID: OAL
Scrip Code: 500078

To
The Manager
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
Symbol: OAL
Series: EQ

Sub: Annual Report of the Company for the Financial Year 2020-21

Ref: Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Dear Sir/Ma'am,

We hereby wish to inform you that the 49th Annual General Meeting of the members of the Company will be held on Tuesday, 27th July, 2021 at 11:00 a.m. IST through video conferencing ('VC') or other audio visual means ('OAVM').

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of the Company along with the Notice of the 49th Annual General Meeting of the Company for the Financial Year 2020-21 which is being sent only through electronic mode to the Members.

The Annual Report containing the Notice is also uploaded on the Company's website at <https://www.orientalaromatics.com/annual-reports/AR2020-2021.pdf>

This is for your information and records.

Thanking you,
Yours Faithfully,
For Oriental Aromatics Limited

Kiranpreet Gill
Company Secretary & Compliance Officer

Encl: As above

Oriental Aromatics Ltd.

Oriental Aromatics Ltd.

ANNUAL REPORT



FLAVOURS | FRAGRANCES | SPECIALITY AROMA CHEMICALS | CAMPHOR



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Corporate Information

EXECUTIVE DIRECTORS

Mr. Dharmil A. Bodani
Chairman & Managing Director

Mr. Shyamal A. Bodani
Executive Director

Mr. Satish K. Ray
Executive Director - Operations

Mr. Bhadreshkumar A. Pandya
Executive Director-Operations

INDEPENDENT DIRECTORS

Mr. Prakash V. Mehta

Mr. Ranjit A. Puranik

Mr. Harshvardhan A. Piramal

Ms. Amruda V. Nair

CHIEF EXECUTIVE OFFICER

Mr. Parag Satoskar

CHIEF FINANCIAL OFFICER

Mr. Girish Khandelwal

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Kiranpreet Gill

AUDITORS

M/S Bagaria & Co. LLP, Chartered Accountants
701, Standford Junction of S.V.Road, Barfiwala Marg,
Andheri (West), Mumbai-400 058

CORPORATE IDENTIFICATION NUMBER

L17299MH1972PLC285731

REGISTERED/ CORPORATE OFFICE

133 Jehangir Building, 2nd Floor,
Mahatma Gandhi Road, Mumbai - 400 001
Tel. 91 22 43214000
Fax: 91 22 43214099
Website: www.orientalaromatics.com
Email: cs@orientalaromatics.com

REGISTRAR AND TRANSFER AGENTS

Link Intime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400083.
Tel: 022-49186270
Fax: 022-49186060
Website: www.linkintime.co.in
Email: rnt.helpdesk@linkintime.co.in

BANKERS

Citi Bank N.A.

DBS Bank India Ltd.

HDFC Bank Ltd.

Kotak Mahindra Bank Limited

Standard Chartered Bank

The Hongkong and Shanghai Banking Corporation Limited
(HSBC)

WORKS

Ambernath

Plot No. M-5, MIDC,
Additional Ambernath Ind Area, Village - Jambhivli,
Ambernath (E), Dist. - Thane 421 506, India.
Tel: +91 251 2624700
Fax: +91 251 2624799

Bareilly

P.O. Clutterbuckganj,
Dist. Bareilly (U.P) 243 502, India
Tel: +91 581 2561115/2561128
Fax: +91 581 2561112

Vadodara

Plot No 3, GIDC Ind Estate, Nandesari,
Vadodara-391 340, Gujarat, India
Tel: +91 265 2842200
Fax: +91 265 2840224

The Art of Creative Chemistries....

Modern Flavours and Fragrances are a blend of art, science and technology, with chemistry being the central science involved. They are complex formulated products containing blends of aroma ingredients, essential oils and other auxiliary materials, enabling desirable flavours or fragrances to be added to a huge range of consumer products.

Everyday products such as shampoos, perfumes, detergents and many more contain fragrances and perfumes while products like beverages, dairy and snack foods contain flavours. Developing these flavours and fragrances requires crafting of complex mixtures of natural and synthetic materials to achieve the desired scent and taste.

Our sense of smell comprises of a comparatively large fraction of our genetic makeup. We use more than 1,000 different sensory receptors to analyse a smell, each receptor

with its own genetic code. The ability to distinguish subtleties among smells is enormous. Scent, closely linked to our sense of taste, is a cornerstone of our food enjoyment. The process of chewing food releases aromatic compounds that are detected by the olfactory receptors in the nasal passages. While one is likely to comment on how food tastes, the judgement is based on how it smells. Thus development of both flavours and fragrances is the art of blending aroma chemicals to create an effect that our senses of taste and smell, find desirable.

The industry has a growing need for new, innovative and sustainable speciality aroma ingredients, both natural as well as synthetic, discovery and application of which requires the right balance between chemistry and creativity in order to deliver successful flavours and fragrances....



Oriental Aromatics

A Blend of Flavours, Fragrances, Speciality Aroma Chemicals and Camphor

Oriental Aromatics Ltd. (OAL) has over six decades of rich heritage in the camphor, terpene chemicals, speciality ingredients, flavours and fragrance industry. The company is one of the few fully integrated players in the global Flavours and Fragrances industry.

Our Founder, Mr. Keshavlal V. Bodani was intrigued by the mystique of perfume and thus founded the Flavours & Fragrance (F&F) division of Oriental Aromatics Limited back in 1955. Since then, the company has been led by three generations of the Bodani's, evolving, adapting and improving with every milestone.

Along with flavours and fragrances, over the course of time, the company ventured into manufacturing of creative speciality aroma ingredients which are key raw materials to manufacture flavours and fragrances.

OAL has been a pioneer in Terpene Chemistry in India. The company set up the first camphor plant in the country in 1964 with technology licensed from DuPont (USA). Today it is one of the largest manufacturers of a variety of terpene chemicals, camphor and other speciality aroma chemicals, in India. The Company's wide array of products includes Synthetic Camphor, Terpineols, Pine Oils, Astromusk, other speciality aroma chemicals and several other chemicals finding applications in vast array of industries ranging

from Flavours & Fragrances, Pharmaceuticals, Soaps & Cosmetics, Paints & Varnishes and many more.

Currently, the chemical division at Oriental Aromatics uses 28 different chemistries to manufacture an ever expanding list of more than 70 speciality aroma ingredients, most of which are also used internally by our F&F division to create winning flavours and fragrances for a wide range of applications.

The company creates flavours and fragrances which are used in day-to-day products ranging from fine fragrances, personal hygiene, home care, beauty & cosmetics by well established set of FMCG companies.

OAL has the ability to manufacture successful products with in-depth understanding of consumer's tastes, vertical integration, innovation and technological advancements.

Taking the legacy into the future, the OAL team aims to strengthen the product portfolio and work towards a long term sustainable growth.



Our Story of Transformation

Key Milestones of the Company



Levers for Long Term Success



Ethical Roots

Business integrity is a cornerstone of OAL's culture. Ethical business practices form the base of decision making thus ensuring value driven growth for the future.



Sustainability

Taking the legacy to the future, sustainability is one of the fundamentals and lies at the heart of the company's strategy and business growth.

Not only is your company environmentally and socially sustainable - The company strongly believes in being economically sustainable and ethical in its business practices.



Product Innovation

Across everything that OAL does, it applies creativity, passion & innovation to create unique and differentiated solutions for our customers.

Your company believes in developing innovative products contributing greatly to overall consumer experience.



Research & Development

The company has well established R&D centres to create unique combinations of speciality aroma chemicals along with Flavours and Fragrances.



Integrated Business

OAL is one of the few fully integrated players in the F&F Industry thus giving it a competitive edge to fuel future growth.



Legacy of Experience

With a strong management team and decades of experience in the niche Flavours and Fragrance Industry, OAL pursues a policy of financial strength, profitable growth and return on assets with a long term view of our business.



Stakeholder Driven

Striving to create a balance between the stakeholders of the company has been one of the primary drivers of the decision making process.

We evaluate the impact of our actions on our customers, suppliers, employees, investors and the overall society.



Diversified Supply Chain

Efficient supply chain management is an integral part of any business.

Adopting a sustainable raw material sourcing policy ensures consistent and value driven growth for the years to come.

Efficient supply change management has helped the company emerge stronger despite various external challenges.



Global Reach

With manufacturing presence in India, the company has a global reach and exports to a wide variety of countries Asia, Europe, Africa as well as North and South America.

Geographical Presence

We are on a journey that helps us to reach out to new customers across diverse markets of exceptional opportunities.

Headquartered in Mumbai, India, OAL caters to customers all over the world and has gained a strong foothold in North America, Europe, the Middle East and Asia.



Exports

North America	Africa	Asia
Mexico USA	Egypt Nigeria	Bangladesh China Hongkong Indonesia Japan Korea Malaysia Myanmar Oman Pakistan Singapore Sri Lanka Thailand UAE Vietnam Yemen
South America	Europe	
Argentina Brazil Colombia	France Geneva Germany Netherlands Portugal Spain Switzerland Turkey UK Ukraine	



📍 Headquarter 📍 R&D Centre 📍 Manufacturing Facility

Focus on Research & Development



In today's world, it is the customers who are driving change and innovation in the companies and it has become imperative for the companies to stay ahead of the curve. Hence, OAL has been investing in its R&D infrastructure.

The aim of the innovation program at OAL is to:

- Synthesize generic speciality aroma ingredients of high value and low volume or mid value and mid volume
- To carry out continuous process re-engineering (CPR) projects for ensuring sustainability, global cost and quality leadership in our existing products
- Green chemistry and green engineering
- Fragrance delivery systems and other miscellaneous projects

The R&D centre set up at Powai, Mumbai in 2016 and the Pilot plant at Vadodara facility in Gujarat act as incubators for ensuring commercial success of all our new and old products. It has an excellent team of more than 25 research associates working in areas of products development, regulatory, analytical chemicals, green chemistry etc. The centre is also recognised by the Department of Scientific & Industrial Research (DSIR) of the Government of India.

Bareilly, Uttar Pradesh

Established in 1964, it was the First Synthetic Camphor plant in India with technology from DuPont of the USA. The Plant is accredited as Pharma Grade with WHO-GMP and USFDA certifications. The vast product range includes Synthetic Camphor (all grades), Terpeneols, Pine Oils, Isobornyl Acetate, Terpene Resins, etc. We are glad to inform that a state-of-the-art catalyst plant to support the camphor and the terpene chemical process was commissioned in the year 2020. In our relentless drive to become a long term sustainable and environment friendly global manufacturer of camphor and terpene chemicals, we have initiated multiple projects at our Bareilly site. This includes projects where we are expanding capacities for some of our existing products as well as undertaking power co-generation projects to reduce the cost of power used in our facility. For the purpose of making the facility compliant with the latest environmental control systems, we have implemented a zero liquid discharge system for the treatment of effluents generated in the plant.



Ambernath, Maharashtra

The plant is a state-of-the-art manufacturing facility which commenced operations in 2014. It is a very versatile manufacturing facility capable of producing fragrances as well as flavours.

This facility also has a state-of-the-art Research & Development, Creative and Quality Assurance infrastructure.

Vadodara, Gujarat

The Vadodara facility is a state-of-the-art manufacturing facility which was set up in 1999. The facility is spread over a large area of 43 acres. It has a modular design of chemical plants and includes a labyrinth of 5 plants which produce wide range of products. Products manufactured at this plant are of international standard and 75% of the annual production is exported all over the world.

The Multi Product plant, inaugurated in 2018 is now running at its full capacity and we successfully completed the first expansion at this facility in the year 2020-2021.



The Way Forward..

Your company has plans to set up new plants with additional capacities at the existing Vadodara facility for manufacturing of speciality aroma chemicals. Further, the company's wholly owned subsidiary has recently acquired 22 acres of space in a chemical manufacturing zone in Mahad, Maharashtra to set up a camphor plant and other Multi Product plants.

Product Portfolio

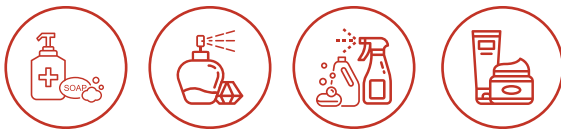
Applying a combination of chemistry and creativity, OAL delivers a diversified basket of product portfolio with wide variety of applications.

Fragrance

The company creates fragrance blends that are an integral element in the finest perfumes and best-known household and personal care products. Backed by the finest ingredients and fuelled by passion OAL produces fragrance formulations with highest levels of creativity and performance to bring the most memorable moments. We believe that our know-how, deep consumer insight, customer intimacy and a backward integrated supply chain (thanks to our ingredients division) helps us develop fragrances with highest acceptability and thus bringing added dimension to the consumer experience. Your company delivers custom designed fragrances found in fine fragrances, incense sticks, candles, and various FMCG products like soaps, shampoos, hair oils, detergents, etc. With an extensive portfolio of innovative, high-quality and effective ingredients, we are able to provide our customers with a unique identity for their brands. We sell our fragrances to 1000-1200 customers across 30 countries.



Applications



Flavour

Being creators of flavours, we help our customers deliver on the promise of delicious foods and drinks that appeal to consumers. We are dedicated to expanding the world's expression through flavours by bringing moments of delight with delicious flavour and taste experiences. OAL understands how important flavour is to one's sense of being and therefore consistently innovates to satisfy its customers' evolving needs for different flavours. OAL specialises in custom flavour manufacturing and aims to reinvent the palate of taste. The Company's goal is to constantly elevate everyday experiences by delivering quality flavours used in oral hygiene, instant foods, beverages, health and wellness, dairy and snack foods. Your company provides unique Flavors that are ultimately used by our customers in beverages, sweets, oral hygiene, dairy products and instant foods.

Applications



Speciality Aroma Chemicals

High quality aroma chemicals are essential for innovative and sustainable flavours and fragrances since these form the building blocks for F&F formulations. Every aroma has a specific need and a unique characteristic, whether it's going to be used to mask, mimic or maximise a taste or smell. OAL is one of the top speciality aroma chemicals manufacturers in India, and not only uses them for captive consumption but also exports aroma chemicals across the world. Your company has been consistently expanding its speciality aroma chemical base through focus on R&D in order to strengthen the integration synergies to the front end F&F business.



Sandalwood Derivatives	Musk polycyclic & Macroyclic	Pinene Derivatives	Speciality Aroma Chemicals	Generics offered by Speciality Chemicals Division
Mysornol AB18019	Astromusk Concentrate AB08072	Alpha-Pinene Epoxide AB08062	Astromeran AB08066	Esters of Allyl alcohol
Durganol AB18018	Cambrettolide AB15137	Alpha Campholenic Aldehyde AB08061	Amberone AB08064	Esters of Geraneol & Citronellol
Shivanol AB18016		Camphor GF AB08002	Astrone AB08074	Esters of Phenyl Acetic acid, Cinnamic acid
Shaktinol AB18017		Isobornyl Acetate AB08031	Capinone AB08028	Esters of Cinnamic alcohol & Cyclohexanol
		Isoborneol Powder AB08011	Ketone-101 AB08032	Esters of Para cresol & Phenyl Ethyl alcohol
		Terpineol AB08019	Safranal AB15139	Aromatics ethers like Nerolin crist, etc.
		Terpinyl Acetate AB08033	Sealone AB18006	Phenoxyethyl Isobutyrate
				Nitriles of various Aldehydes Like c12 Lauric, c10, Citronellyl Nitrile



Camphor

In the last 5 decade, camphor has witnessed a great increase in demand due to its varied uses. Camphor is highly used as a part of religious ceremonies since according to the ancient Indian traditional system, burning of camphor purifies the air and inhaling that air has numerous medicinal benefits. Moreover, it has long enjoyed a prominent place in medicinal uses due to its antibacterial, antifungal, and anti-inflammatory properties to treat skin conditions, improve respiratory function, and relieve pain.

Your company is a pioneer in manufacturing synthetic camphor and is one of the largest manufacturers of Camphor in the country.

Applications



Board of Directors

Mr. Dharmil A. Bodani

Chairman & Managing Director

A magnetic personality with a rich experience of more than 3 decades in fragrance, flavours and chemical industry. He has undergone a specialized training on perfumery in Grasse, France and been instrumental in the formation and implementation of the overall strategy and vision of the group. He has been playing a vital role in product selection on the chemical side.

Mr. Shyamal A. Bodani

Executive Director

Commenced his career in the year 2003 and currently he undertakes local as well as overseas marketing, sales and export promotion etc. He plays a key role in the formation and implementation of strategy, especially from the sales and marketing perspective for the chemical division.

Mr. Satish Kumar Ray

Executive Director - Operations

Serves as Whole Time Director designated as Executive Director - Operations.

He has 23 years of experience in different fields like Policy Formulation, Advisory, Planning, and Executive Task related to HR, Commercial, Purchase, Store, Sales, Supply Chain, Indirect Taxation, Custom, DGFT, GST, Insurance and claim management, etc.

Mr. Bhadreshkumar A. Pandya

Executive Director - Operations

He has 25 years of extensive experience in Chemical Manufacturing industries in Speciality Chemicals, Aromatic, Petrochemical, Hydrogenation, Agro- intermediate and Biochemical.

Has expertise in product development, systems improvement, strategic cost control, technical service etc.

Ms. Amruda V. Nair

Non-Executive & Independent Director

She has experience in leading international hospitality brands and is a graduate in Economics, holds degree in Hospitality Management from Netherlands and Masters from Cornell, NY. Ms. Nair is responsible for designing the brand's signature programming and spearheading overall business development to create a unique proposition of smart hospitality.

Mr. Prakash V. Mehta

Non-Executive & Independent Director

He graduated in law from the Bombay University in 1963 and qualified as a Solicitor in 1966. He was appointed as Notary in 1996 and is a member of Maharashtra & Goa Bar Association. He is also a member of the Managing Committee of the Bombay Incorporated Law Society.

Mr. Ranjit A. Puranik

Non-Executive & Independent Director

He is the Managing Director of Shree Dhootapapeshwar Ltd., a family led enterprise involved in manufacturing of Ayurveda healthcare formulations. President of an Ayurveda college and is Advisor to the Herbal and Ayush Panel at pharמעxil. He has represented the AYUSH Industry cause for the past 18 years in forums related to Ayurveda, medicinal plants and regulatory reforms.

Mr. Harshvardhan A. Piramal

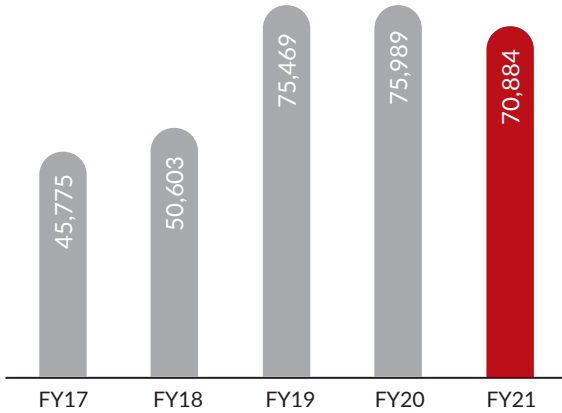
Non-Executive & Independent Director

He holds a Bachelor of Science (Physics) degree from Kings College London and a MBA (specializing in Finance and Strategy) from the London Business School. He is the Executive Vice-Chairman of Morarjee Textiles Limited and the Vice-Chairman of Piramal Renewable Energy which is also a part of Ashok Piramal Group.

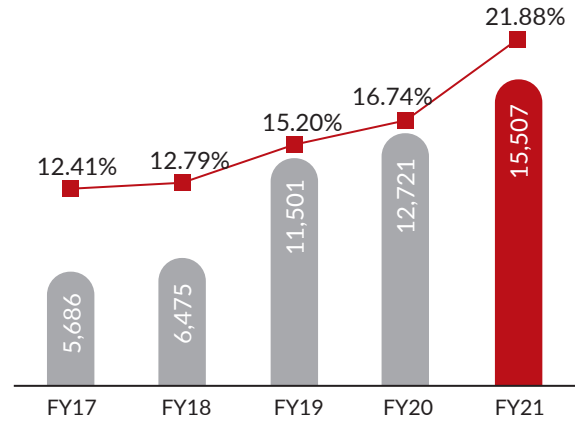
He is passionately involved in tiger conservation and is a trustee of Conservation Wildlands Trust.

Financial Highlights

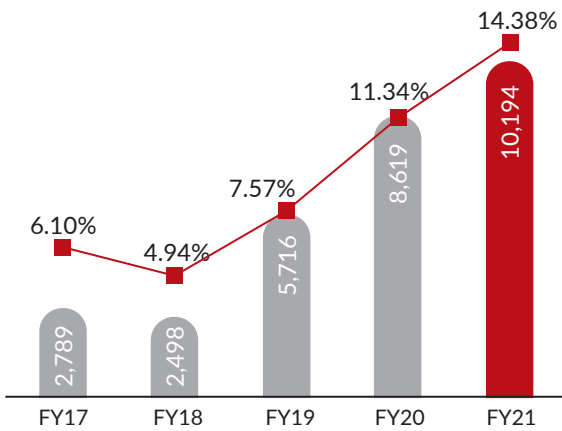
Revenue from Operations (INR Lakh)



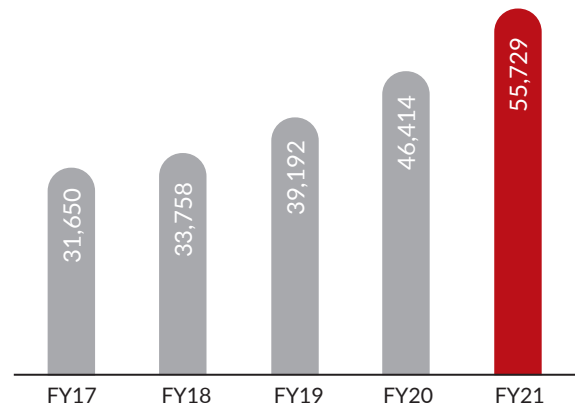
EBITDA (INR Lakh) EBITDA Margin (%)



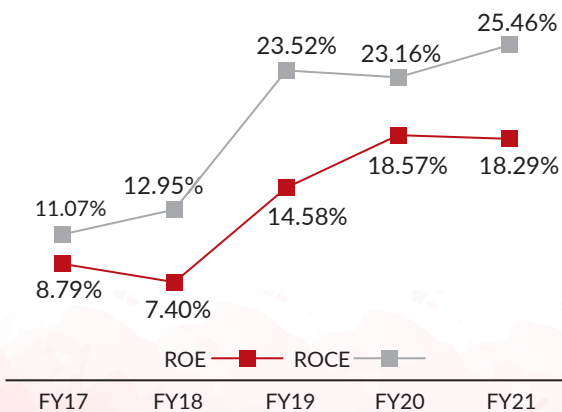
PAT (INR Lakh) PAT Margin (%)



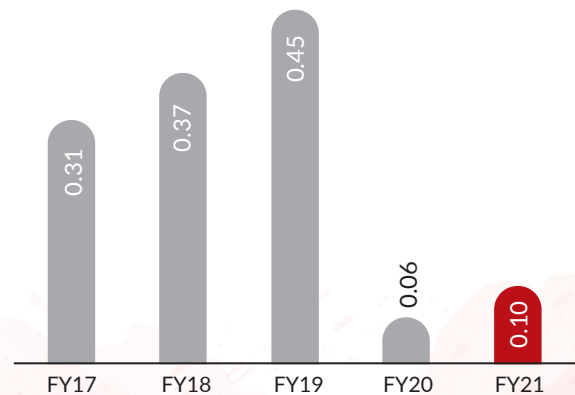
Net Worth (INR Lakh)



RoE (%) and RoCE (%)



Net D/E (x)



Message from the Chairman and Managing Director

Dear Shareholders,

I would like to welcome you all to the Forty Ninth Annual General Meeting of Oriental Aromatics. I wholeheartedly thank each one of you for being with us in our journey. I hope you and your family members are safe and healthy during these unprecedented times. Financial Year 20-21 has been challenging for each one of us as the Covid-19 pandemic has had a significant impact on lives, livelihoods, and the businesses. Last year, has been extremely challenging, as even your Company was not spared by the wrath of Covid-19. All our manufacturing sites had undergone shut down for a period of forty days in the quarter, however, your Company was able to compensate for it in the rest of the year. During the year, the sales declined marginally by 7%, primarily due to plant shutdown, however your Company was able to clock an 18% growth in profitability and achieve its highest ever profit after tax by surpassing the INR 100 Cr mark in the current financial year for the first time since its inception.

Sustainability, Innovation, Business Continuity and De-Risking has helped your Company evolve stronger than ever. Your Company is slowly gearing up to maximize the opportunities that will come along its way and to face all the challenges that it might face in its growth and success. Our focus and interest on innovation continued this year and I am glad to inform that your Company continued to spend on projects related to Innovation and Sustainability. Flavours and Fragrances form the backbone of the FMCG industry as they are a critical part of the everyday essential products. Due to this, the impact of the Covid-19 pandemic on demand has not been as significant as it has been on other industries. Additionally, due to the pandemic during the year, the country witnessed an increase in demand for health and hygiene products which in turn has led to increased number of product launches in this category by the FMCG industry. This led to a higher demand for Flavours and Fragrances required for these products.

“Sustainability, Innovation, Business Continuity and De-Risking has helped your company evolve stronger than ever. Your Company is slowly gearing up to maximize the opportunities that will come along its way and to face all the challenges that it might face in its growth and success.”

India being a developing economy, the expected growth rate for the Flavours and Fragrances industry is higher than the global average; thus the industry is expected to continue to grow, providing more opportunities for players like us. We are confident that the aforementioned factors and expected growth in the economy will enable your Company to continue its growth strategy in the Flavours and Fragrances division.

Your Company is proud to be one of the very few fully integrated players in the global Flavours and Fragrances (F&F) industry. We are glad to have achieved this position due to strategic acquisitions and amalgamations done over the years and a robust product development strategy. Your Company has the capability and the capacities to manufacture a wide portfolio of speciality aroma chemicals which form the building blocks of modern Flavours and Fragrances. These speciality aroma ingredients are not only used for captive consumption, but also sold to global Flavours and Fragrances houses, family-owned Flavours and Fragrances compounding, globally and in India. China is a major manufacturer and exporter of speciality aroma chemicals. Due to the Covid pandemic, most of the flavours and fragrance manufactures across the world are highly focusing on diversification and hence looking to reduce reliance on China for their aroma chemical supplies. This

augurs very well for the Indian Speciality Aroma chemicals industry and will definitely benefit a player like Oriental Aromatics.

With over 6 decades of experience that your Company holds in the F&F industry, we have a very good understanding of the tastes and preferences of the consumers in the domestic as well as the international markets. During the year, we witnessed a spike in certain raw material prices in our flavour and fragrance division. These raw material prices had a significant impact especially in the second half of the Financial Year. However, with an established, diversified and sustainable raw material sourcing policy, we were successful in combating the situation and not only maintained but also increased our profitability in this division.

Innovation is the key to success; hence your Company places immense focus on research and development across all its four divisions. The innovation program includes projects which are related to new product launches in the area of flavours, fragrances and Speciality Aroma ingredients, continuous process reengineering of our products to achieve better value and sustainability and last but not the least projects related to green chemistry and green factories.

Your company has the capability and the capacities to manufacture a wide portfolio of speciality aroma chemicals which form the building blocks of modern flavours and fragrances.

In order to fuel future growth and capture significant market share across all its operating divisions, your Company has a well thought out expansion plan which is in place for the next 3 years (we call it our "1000 Day Program"). This includes further strengthening of our speciality aroma chemicals base as well as building new manufacturing plants to augment the capacities in Camphor, Turpene chemicals and Speciality Aroma ingredients. This expansion will be a key milestone for your Company.

To conclude, on behalf of the entire Oriental Aromatics Team I would like to express my heart felt gratitude to all our stakeholders, which foremost includes our employees who have worked extremely hard even during the pandemic, also our other partners like suppliers, vendors, distributors for supporting us during the year, and lastly but most importantly our shareholders for showing confidence in our Company. Valuable suggestions, guidance and unflinching support of my colleagues on the Board are also gratefully appreciated.

I am confident, that with the strength of our core capabilities and our dynamic team of professionals, OAL is well-positioned for an exciting journey ahead that it's embarking on for the next few years. We thank you for your trust and look forward to your continued support on the journey ahead.

Best Wishes,

Dharmil A. Bodani,
Chairman and Managing Director

CSR Activities



THE KESHAVLAL V. BODANI EDUCATION FOUNDATION

Oriental Aromatics Limited recognizes its responsibility as an important stakeholder in the society and strives to work towards the betterment of the society as a socially responsible entity. The aim is to deliver superior and everlasting value to all our customers, associates, shareholders, employees and Society at large.

OAL is supportive of community growth and development. Education is a core part of the Company's mission to help resolve the community's toughest problems.

Keshavlal V. Bodani Education Foundation' is the extended arm of your Company. OAL shoulders the development of educational facilities for students having learning disabilities through its contribution to the Keshavlal V. Bodani Education foundation. Keshavlal V. Bodani Education foundation, in association with the Gateway School of New York has established Gateway School of Mumbai which is dedicated to empowering children who find themselves challenged by mainstream educational practices. The vision behind this partnership is to create learning opportunities and spread evidence-based practices, in the stream of education and therapies, in India and across the globe. The school intends to help students develop the skills,

knowledge, understanding and attitude necessary for them to lead fulfilling and productive lives as independently and successfully while actively contributing to the society.

The Company also made a contribution towards Chief Minister Relief Fund (Uttar Pradesh) during the FY 20-21 for social-economic development and relief to combat COVID-19 pandemic. Further, the Company also made contribution at Vadodara, Gujarat for promotion of educational facilities.



The Company as part of its CSR initiatives made contributions in the following areas during the year as well:

CSR Activity Identified	Sector in which the project is covered	Location where the project is undertaken
Promotion of educational facilities for the students having learning disabilities through contribution to M/s Keshavlal V. Bodani Education Foundation	Education, Schedule VII (ii)	Mumbai, Maharashtra
Nandesari Education Trust	Education, Schedule VII (ii)	Vadodara, Gujarat
Chief Minister Relief Fund to combat COVID-19	Socio-Economic Development and Relief Schedule VII (viii)	Bareilly, Uttar Pradesh
Promotion of Education facilities by making contributions to Kasturba Gandhi Balika Vidyalyaya	Education, Schedule VII (ii)	Vadodara, Gujarat



Statutory Reports

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Management Discussion and Analysis

Global Economy Overview

The calendar year 2020 was a great disruption unleashed by a viral pandemic that hit the world economy very hard. The pandemic spread like a forest fire, reaching every corner of the world, infecting more than 90 million and killing close to 2.8 million people worldwide (as of March 2021). For several months, uncertainties and panic paralysed most economic activities in both developed and developing economies. The pandemic has exposed the systemic vulnerability of the world economy. Building economic, social and environmental resilience must guide the recovery from the crisis.

World gross product fell by an estimated 4.3 percent in 2020, the sharpest contraction of global output since the Great Depression. The pandemic hit the developed economies the hardest, given the strict lockdown measures that many countries in Europe and several states of the United States of America imposed early on during the outbreak. The developing countries experienced a relatively less severe contraction, with output shrinking by 2.5 percent in 2020. Their economies are projected to grow by 5.7 percent in 2021.

Activity is expected to strengthen in the second half of this year and firm further next year, as improved COVID-19 management aided by ongoing vaccination allows for an easing of pandemic control measures. Global economic output is expected to expand 4 percent in 2021 but still remain more than 5 percent below pre-pandemic projections. Global growth is projected to moderate to 3.8 percent in 2022, weighed down by the pandemic's lasting damage to potential growth. The global recovery, which has been dampened in the near term by a resurgence of COVID-19 cases, is expected to strengthen over the forecast horizon as confidence, consumption, and trade gradually improve, supported by ongoing vaccination.

Source:

UN Report - World Economic Situation, World Bank Report

Indian Economy Overview

Although India has emerged as the fastest-growing major economy and is expected to be one of the top three economic powers in the world over the next 10-15 years,

backed by its robust democracy and strong partnerships, financial Year 2020-21 started with a Nation-wide lockdown in India. The Economic Survey has projected that the economy will grow at 11 percent, up from an estimated historic decline of 7.7 percent in 2020-21, on account of the COVID-19 pandemic. However, the vaccination drive is expected to provide an impetus for the restoration of contact-intensive sectors and a leading edge to the Indian pharma industry in the global market.

The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally and increasing digital literacy. India's Index of Industrial Production (IIP) for October 2020 stood at 128.5, against 123.2 for September 2020. Consumer Food Price Index (CFPI) – combined inflation was 9.43% in November 2020, against 11.07% in October 2020. Consumer Price Index (CPI) – combined inflation was 6.93% in November 2020, against 7.61% in October 2020.

The government has the ambition of making India a USD 5 trillion economy by 2024 for which various initiatives have been undertaken in the last few years to improve ease of doing business, encourage Make in India, invite foreign companies to India with schemes like PLI (production-linked incentive) and tweak the legacy labour laws, Agri policies, etc.

With the shift in sentiment to reduce dependence on a single country i.e. China, we are seeing increasing interest from international companies wanting to invest in India. Interest is largely from Asia led by Japan, Korea and Thailand, although we are also seeing interest from Europe. Some of these enquiries are in sectors such as agrochemicals, building products, logistics, packaging, and new-age technology including electronics, sectors where we have not seen significant interest in the past.

Source:

Economic Times, IBEF-India Market Growth Rate and Statistics, April 2021

Global Chemical Industry Overview

The global chemical market is expected to grow from USD 3,340.32 billion in 2020 and increased to USD 3,728.43 billion in 2021 at a compound annual growth rate (CAGR) of 11.6%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach USD 4,304.71 billion in 2025 at a CAGR of 4%.

Asia Pacific was the largest region in the global chemicals market, accounting for 49% of the market in 2020. North America was the second largest region accounting for 17% of the global chemicals market. Africa was the smallest region in the global chemicals market.

Speciality chemicals are specific types of chemicals that provide various effects to different industries that they serve, for example ink additives, textile, oil & gas, cosmetics, construction, and food. Speciality chemicals are basically manufactured in reactors and are generally entities of chemicals or either single-chemical formulation. Their composition largely influences the performance of the consumer's product. These chemicals are used on the basis of their performance and function. Significant research & development (R&D) in the speciality chemicals market has facilitated the development of products with advanced and optimum features.

Increasing demand for function-specific and high-performance chemicals across various end-use industries such as pulp and paper, oil and gas, and personal care & cosmetics projected as one of the significant factors for the market growth of speciality chemicals. Furthermore, increased innovation and research & development are the key growth factors as the market is largely drive by the changing consumer preferences. Manufacturer's focus prominently towards offering custom-made and innovative product offerings for the target applications, thus to cater the consumer specific demand investment in research and development have significantly grown over the past years, driving the development of innovative chemicals and significant expansion of product portfolio in the market.

However, stringent government norms coupled with variable price of raw materials anticipated to hinder the market growth. Nonetheless, increased research & development activity for the development of bio-based speciality chemicals is expected to fuel the market growth over the forecast period.

The global speciality chemical market size was valued at USD 630.0 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 3.7% from 2020 to 2027. Growing demand for high-performance and function-specific chemicals across the end-use industries such as oil and gas, pulp and paper, and personal care and cosmetics is expected to be one of the prime market growth factors. Speciality chemicals are also referred to as performance chemicals or effect chemicals. Some popular examples include essential oils, gelatin, castor oil, and collagen. These chemicals are referred to as specialties as they are produced in lesser volumes and cater only to a few applications unlike the rest of the fine and commodity chemicals (according to the European Chemical Industry Council (Cefic).

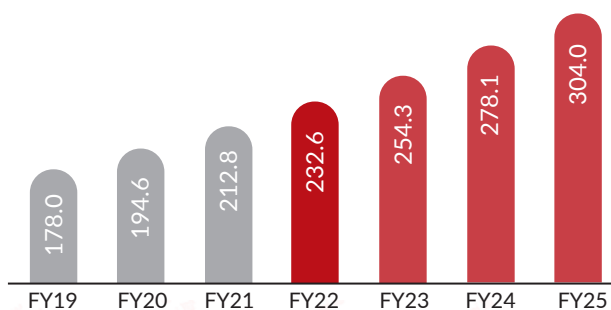
Source:

ReportLinker - Chemicals Global Market Report 2021: COVID 19 Impact and Recovery to 2030, January 2021, Globenewswire - Chemicals Global Market Report, February 2021, Globenewswire - Specialty Chemicals Market Size, December 2020, Grandview Research - Specialty Chemicals Market, July 2020

Indian Chemical Industry Overview

The Indian chemical industry stood at USD 178 billion in 2019 and is expected to reach USD 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The speciality chemicals constitute 22% of the total chemicals and petrochemicals market in India. The demand for speciality chemicals is expected to rise at a 12% CAGR in 2019-22. The petrochemicals demand is expected to record a 7.5% CAGR between 2019 and 2023, with polymer demand increasing at 8%. The agrochemicals market is expected to witness an 8% CAGR to reach USD 3.7 billion by FY22 and USD 4.7 billion by FY25.

Market Size in Indian Chemical Sector (US\$ Bn)

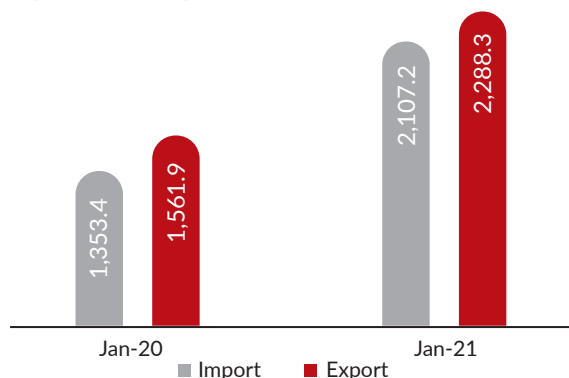


Source: IBEF

In October 2020, the exports of organic and inorganic chemicals increased by 2% on a y-o-y basis to reach USD 1,812.22 million. For petrochemicals, imports of petroleum and crude products decreased by 39% on a y-o-y basis to reach USD 3,44.1 million in October 2020. India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, speciality chemicals, agrochemicals, petrochemicals, polymers and fertilisers. India accounts for ~16% of the world production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of ~15%. India's proximity to the Middle East, the world's source of petrochemicals feedstock, enables it to benefit on economies of scale.

The Indian government recognises chemical industry as a key growth element and forecast to increase share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025.

Import and Export of Chemicals (US\$ million)



Source: IBEF

A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters. 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. Total FDI inflow in the chemicals (other than fertilisers) sector reached USD 17.77 billion between April 2000 and June 2020.

Despite the current pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry

in specific segments. Additional support, in terms of fiscal incentives, such as tax breaks and special incentives through Petroleum, Chemicals & Petrochemical Investment Regions (PCPIRs) or Special Economic Zones (SEZs) to encourage downstream units will enhance production and development of the industry.

Source:

IBEF - Chemicals Industry and Exports, June 2021, Make in India - Chemicals

Global Flavour & Fragrance (F&F) Industry

The global flavours and fragrances market reached a value of USD 31.7 billion in 2020. Flavours and fragrances are substances that are used to enhance the overall aesthetic value of a product by altering its smell and taste. Flavours are majorly used in the food, beverages, dairy and confectionary industries, whereas, fragrances are used for providing fine smells in body care, home care and cosmetic products. Taste and smell are among the key determinants for the appeal of the product. The possibilities of flavours and fragrances are endless, ranging from floral, musky to warm and woody. They are usually prepared using natural/artificial chemicals and essential oils to deliver a specific flavour and to enhance the existing ones. The key end users of the flavours industry include beverages, dairy, confectionary, meat, snacks, healthcare, bakery, etc. On the other hand, some of the key end users of the fragrances industry include cosmetics and toiletries, soap and detergents, household cleaners and air fresheners, etc.

A key driver of the global flavours and fragrances market is the strong growth in the food and beverage industry. Catalysed by a rising global population and increasing urbanization rates, the demand of processed foods and beverages has been witnessing a continuous growth, creating a positive impact on the growth of the market. Moreover, driven by rising incomes, changing lifestyle and increasing consciousness towards physical appearance, the market for personal care products has also been witnessing a strong growth creating a strong demand for flavours and fragrances. Other major factors driving the market include emerging markets, rising demand for organic and natural products, growing young population, etc.

The Asia-Pacific flavour and fragrance market is projected to register a CAGR of 6.15%, during the forecast period of 2020-2025. In Asia, the food flavours witnessed significant growth rates in the last decade, owing to the increased demand from the food and beverage industry. The continued expansion in the major end-user sectors, like beverages and frozen food, as well as strong gains in domestic expenditures on consumer products, are the

factors that are expected to support the food flavours' demand. The unusual flavour hybrids and stronger taste experiences are emerging as the dominant flavour profiles, with the sour flavours also gaining popularity.

China's demand for Flavours and Fragrances has grown at a fast pace in the past decade. In the next decade, both production and demand will continue to grow. The Chinese economy maintains a high speed growth which has been stimulated by the consecutive increases of industrial output, import & export, consumer consumption and capital investment for over two decades. This new study examines China's economic trends, investment environment, industry development, supply and demand, industry capacity, industry structure, marketing channels and major industry participants.

The North America flavours and fragrances market reached a value of USD 4.5 billion in 2019 and is currently being driven by several factors. The rising demand for flavouring ingredients in bakery and confectionary items, ice-creams and other desserts, smoothies, and energy drinks are strengthening the growth of the flavours and fragrances market in the food and beverage industry of the region. Furthermore, the addition of flavours at optimal concentrations improves the taste and texture of food. Various types of chemical aromatics, essential oils, and botanical extracts are used to enhance the flavour of food and beverages, thereby making them more appealing to consumers. Apart from this, the escalating demand for flavours and fragrances in pharmaceuticals, dietary supplements, nutraceuticals, and tobacco is also impelling the market growth. In addition to this, the introduction of new flavours and fragrances along with their natural or organic counterparts are also stimulating the growth of the industry in the region. Looking forward, experts are expecting the market to reach a value of USD 5.9 billion by 2025, registering a CAGR of 4.6% during 2020-2025.

Source:

imarc - Flavors and Fragrances Market, Mordor Intelligence - Asia-Pacific Flavor And Fragrance Market, Global Information, Inc.- Flavors and Fragrances Markets in China, imarc - North America Flavors and Fragrances Market

Indian Flavour & Fragrance Industry

As per the recent data, the domestic flavours and fragrance market is valued at USD 500 million, a small slice of the USD 24 billion global industry. Yet India is not just a growing market for consumption but also an important exporter of raw material for fine fragrances. It is synonymous with jasmine and sandalwood, so few people know that it's the largest supplier of mint in the world. India also supplies

ingredients in every category of perfumery—florals such as geranium, spices like pepper, woods including agar, and grasses such as vetiver. Regulations and lack of foresight may have hobbled the market, even leading to illegal trade, but the richness of natural resources and Indian love of natural fragrances has kept it afloat.

The industry, which was growing at 10%, is likely to see de-growth due to the nationwide lockdown and the consequent drop in demand for consumer products and processed foods during the year. The domestic flavours and fragrances industry, a competitor to China in exports, has taken a production hit to the extent of 80%. The industry, which was growing at 10%, has seen a de-growth due to the nationwide lockdown and the consequent drop in demand for consumer products and processed foods during the year.

Source:

Mint - 'Can India's \$500 million fragrance market survive the pandemic?', October 2020, Financial Express - 'Lockdown impact: Supply disruption hits fragrance and flavour industry with 80% production loss', May 2021

Growth Drivers

The Indian F&F market is highly fragmented with both purchasers and suppliers ranging from multinational companies and large Indian industrial houses to small-scale industrial units, and local manufacturers. This is particularly applicable to the flavour industry and more particularly to savoury, bakery and confectionary segments where the manufacturing process is relatively simple in comparison to others. In this case, even local eateries and individual homes contribute significantly to the increase in market. In comparison, there is better consolidation in the fragrance market, with larger players like Unilever, Godrej, Dabur, Reckitt Benckiser, Wipro, Henkel, ITC, etc., generating most of the sales.

India is the country of the future. Its economy inspite of minor glitches is robust, with strong fundamentals, and it will continue to be one of the fastest growing countries in the world in years to come. The vast growing Indian market is a reality. Increasing number of households, professionals, businesspersons, along with a thriving consumer finance business, have led to a steep rise in the number of consumers with greater disposable income growth in the last decade. India offers one of the largest markets in the world for products of mass consumption such as clothing, footwear, detergents, cooking oil, etc. 70% of Indians live, in villages and rural areas, have witnessed rapid market growth in recent times, largely due to agricultural growth, income redistribution, and the high proliferation by the audio-visual media.

India has extensive sales and distribution network with over one million market intermediaries, like wholesalers, stock keepers, transporters, and retailers who are involved in the distribution of a variety of consumer goods, and marketers use this network access, that is spread over 28 states & 8 union territories. Population growth rate in the last decade was 17.64% with rural areas at 12.18% and urban areas around 31.80%. Urbanization rate is set to increase to 45% in the next 40 years.

Urban areas have a range of distribution outlets, like supermarkets and large stores in addition to smaller neighbourhood retail stores, small shops that are part of the local supply network and cater to almost every individual in India. The banking network with consumer financing is now ably supporting this extensive sales and distribution network. The credit card culture too has shown tremendous growth in recent years, with several international companies like Diners Club, Visa International, Master Card, and American Express Bank players vying for business along with several Indian banks.

Companies today are currently strategizing ways to strengthen their presence and are focusing their sales expansion plans to cater to increasing demand from tier II and tier III cities that eventually drive growth. To quote, as an example in the fragrance market, companies are launching a range of affordable deodorants, perfumes, and colognes for consumers willing to spending on fragrances to stay well groomed. In short, companies are taking all efforts to fulfil consumer demand.

Source:

InsightAlpha - Fragrances and Flavors Industry in India

Outlook

The strengths that we have developed over the years through dynamic interaction with our customers have guided OAL's journey. It is backed up by a heavy focus on creativity. It's a journey driven by our in-depth local knowledge of changing customer needs around the world. Flavours and fragrances play an important role in a variety of consumer products and processed foods. Furthermore, fragrance formulations incorporate the new scent of pine into exotic top notes in fine perfumes and cleaning items. Some of the main factors driving the Company's growth include rising demand for flavours and fragrances, rising demand for consumer products, and the per capita spending on food and consumer goods in emerging markets. In addition, the company's growth is likely to be fuelled by increased FMCG product penetration in rural areas, premiumization of personal care and cosmetic products and increased demand for processed foods.

Aroma Chemicals Industry

Global Aroma Chemicals Industry will reach ~1 billion by 2027, growing at a CAGR of 5.6% over the analysis period 2020-2027. Benzenoids, one of the segments analysed in the report, is projected to record a 5.5% CAGR and reach USD 1.7 billion by the end of the analysis period. After an early analysis of the business implications of the pandemic and its induced economic crisis, growth in the Musk Chemicals segment is readjusted to a revised 6.1% CAGR for the next 7-year period.

The Aroma Chemicals market in the U.S. is estimated at USD 1.3 billion in the year 2020. China, the world's second largest economy, is forecasted to reach a projected market size of USD 1.5 billion by the year 2027 trailing a CAGR of 8.5% over the analysis period 2020 to 2027. Among the other noteworthy geographic markets are Japan and Canada, each forecasted to grow at 3.1% and 5.1% respectively over the 2020-2027 period. Within Europe, Germany is forecasted to grow at approximately 3.5% CAGR.

Terpenoids & Terpenes (Cyclic & Acyclic) Segment to Record 5.7% CAGR. In the global Terpenoids & Terpenes (Cyclic & Acyclic) segment, USA, Canada, Japan, China and Europe will drive the 5.2% CAGR estimated for this segment. These regional markets accounting for a combined market size of USD 1.6 billion in the year 2020 will reach a projected size of USD 2.4 billion by the close of the analysis period. China will remain among the fastest growing in this cluster of regional markets. Led by countries such as Australia, India, and South Korea, the market in Asia-Pacific is forecast to reach USD 960.7 million by the year 2027, while Latin America will expand at a 6.9% CAGR through the analysis period.

The India aroma chemicals market exhibited moderate growth during 2014-2019. Aroma chemicals or odorants, refer to chemical compounds that are volatile in nature and can travel through the olfactory system, causing the odour. These compounds range from extremely strong to light notes and help activate receptors in the nose, alerting the brain about the presence of an aroma. Aroma chemicals are extensively used in food, wine, spices, essential oils, perfumes, and fragrance oils.

India represents one of the leading consumers and exporters of aroma chemicals in the Asia Pacific region. Various types of chemical aromatics, such as benzene and toluene, are used to enhance the flavour of food and beverages, thereby making them more appealing to consumers. Apart from this, these compounds play a crucial role for people suffering from neurological disorders, such as dementia

or Alzheimer's disease. Essential aromatic compounds also support the immune system, enhance cellular health, promote normal inflammatory responses, reduce the appearance of scars and rejuvenate the skin. Besides, the use of aroma oils in workplaces acts as a mood enhancer for the employees and leads to a rise in productivity levels. Furthermore, growing awareness about the harmful effects of chemical additives has encouraged consumers to opt for organic and natural fragrances that are free of synthetic chemicals. As a result, aroma chemical manufacturers are adopting innovative and cleaner technologies, such as supercritical fluid extraction that uses carbon dioxide under high pressure to extract essential oils, and the microwave-assisted extraction technique, which is an automated green extraction technology. Looking forward, IMARC Group expects the India aroma chemicals market to continue its moderate growth during the next five years.

Source:

Globenewswire - Global Aroma Chemicals Industry, August 2020, imarc - India Aroma Chemicals Market

Growth Drivers

The global aroma chemicals market is being driven by the rising demand for natural flavours and fragrances. The industry is further supported by the growing personal care and cosmetics sector. The growing popularity of green or natural aroma chemicals over synthetic ones is expected to aid the growth of the industry over the forecast period. The rising demand for organic products is leading manufacturers to develop products from high-quality ingredients, free from synthetic additives, which is driving the growth of this segment, and in turn, aiding the overall industry growth.

Region-wise, Europe is one of the leading markets in the industry owing to the increased consumer health awareness and rise in demand for organic and natural products in the region. Strict regulations pertaining to the use of synthetic chemicals, encouraging manufacturers to adopt green fragrances is aiding the industry in the region. Further, in developed nations like the United States, the increased regulations and enhanced manufacturing standards, aiming to prevent the utilisation of any potentially harmful chemicals in the cosmetics sector is expected to provide various growth opportunities to the industry.

Source:

EMR- Global Aroma Chemicals Market Outlook

Outlook

OAL is a strong believer in R&D and, as a result of its efforts, is now one of the most well-known brands in the domestic and international aroma chemicals industry. Although the industry has high entry barriers, the company is one of the few fully integrated manufacturers of high-value speciality aroma chemicals in the world. For a basket of over 200 fragrance ingredients, the business employs over 28 separate chemistries. These aroma chemicals aid in the creation of novel flavours and fragrances used in a wide range of FMCG products. The company provides important aroma chemicals to Flavours and Fragrance manufacturers all over the world, including many of the top ten names in the industry. The company is also expected to benefit from the rest of the world's quest for alternative sources of materials in order to minimise dependence on China, which is one of the world's largest markets for aroma chemicals. With growing demand in the FMCG industry for product categories such as personal care, home care, instant food, and so on, there will be more demand for these aroma chemicals in the coming years, and OAL is well placed to take advantage of these opportunities with established capacities and expected capital expenditures.

Camphor Tablets Market

Global Camphor Market size is forecasted to reach around USD 500 million by 2025, after growing at a CAGR of 5.5% during 2020-2025. There has been growing uses of camphor across various applications owing to its antibacterial, antifungal, and anti-inflammatory properties. Additionally, rising disposable income and growing use of camphor tablets in religious rituals in Asia-Pacific region further drives the market growth. Moreover, surging uses of camphor in the treatment of cough, congestion, skin infections, and for easing pain in joints and swelling among others is further expected to contribute to the growth of this market size during the forecast period.

The tablet segment is projected to witness the highest CAGR of 6.5% in the Camphor market during the forecast period due to growing uses from chemical and medical industry. Moreover, the growing consumption of camphor tablets for religious rituals in India and in agriculture sector as an insecticide further propels the growth of this market. Whereas, surge in use of camphor tablets for pest control as well as increasing application in the household segment due to its pleasant fragrance is also driving the market growth.

Source:

TheCowboyChannel - Camphor Market Size Forecast, February 2021

Opportunities and Threats

F&F companies have a significant place in the supply chain of consumer goods such as food, drinks, and household-care items, as their formulations account for just a small portion of the overall product cost but have a significant impact on the consumer's buying decision.

With its constantly developing technology, improved infrastructure, and favourable government policies, China has controlled much of the global chemical supply for nearly two decades. However, the Covid-19, which emerged from the Chinese area, has put the country in the red flag zone, forcing consumers all over the world to look for alternative product sources. The powerful trend of global chemical leaders de-risking input procurement from China presents great export and domestic sales opportunities for India's speciality chemical industry.

In the current situation, the rapid spread of COVID-19 has resulted in a surge in demand for hygiene products around the world, pushing up consumption of personal care products like hand wash, sanitizers, and other similar items, and hence the demand for fragrances in hygiene products.

On the other hand, fears about a global economic recession have been posed by increasing unemployment, declining market demand, disrupted supply chains, factory closures, and eventual restrictions on trade and commerce triggered by Covid 19.

Due to forward integration of the market, the company has grown into an integrated F&F player with a strong presence in aroma chemicals. Because of the merger and wide product acceptance, management expects that the Company will be one of the primary beneficiaries of the robust demand scenario in the F&F sector.

Risk and Concerns

FMCG slowdown: In 2020, the year of the pandemic that saw supply chain disruptions across consumer companies, 62% of sales in fast-moving consumer goods segment came from local brands. In addition, 80% of sales came from smaller players in the sector. The FMCG along with the other industry is divided into two categories. One is essential and another is non-essential. Most of the food items are under essential bracket which ensures a balanced position. With proper steps being taken by the Government and vaccination drive all across the world, we expect a better growth in the coming days.

Industry Concentration: The global F&F industry is highly concentrated with the top 4 global players accounting for over 50% of the global market share. These players, namely Givaudan, IFF, Firmenich and Symrise have presence in India as well. However, OAL has an indepth understanding of the tastes and preferences of Indian consumers which makes the company a preferred choice for most domestic FMCG companies.

Raw Material Price Volatility: Price fluctuations in raw materials and the uncertainty of availability / short supply of raw materials can jeopardise financial results. Contracts, on the other hand, usually provide provisions for dealing with increase in raw material prices, so that raw material price fluctuations are eventually passed on to consumers. Throughout FY21, we have witnessed a gradual increase in the raw material prices. However, with the experience of the management and a robust inventory management system in place, the company, as much as possible, ensures that it is on the right side of the procurement cycle.

Foreign Exchange Risks: ~30% of the Company revenue come from exports while the Company imports ~60% of its total raw materials and thus it is exposed to the risk of fluctuations of foreign exchange rates.

Internal Control Systems and its Adequacy

The Company has put in place necessary internal control system commensurate with its size and nature of business for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and also ensuring compliance with various laws and rules & regulations thereunder.

The internal control system is designed in such a manner where various risks faced by the Company are identified and assessed. The internal control system provides for well-documented policies, guidelines, authorisations and approval procedures. Internal Auditors conduct the audit on a regular basis and remedial measures are taken wherever necessary.

The Audit Committee of the Board of Directors periodically reviews audit plans, observations and recommendations of the internal auditors as well as of external auditors with reference to significant risk areas, adequacy of internal Controls etc.

Discussion on Financial Performance with Respect to Operational Performance

During the year under review, Company's consolidated total revenue has marginally decreased from INR 75,989.45 lakh in 2019-20 to INR 70883.55 Lakh in 2020-21. Profit after tax increased by 1,574.87 lakh from INR 8,618.89 lakh to INR 10,193.76 lakh. The aforesaid increase in profitability is mainly due to better sales realization, higher volumes in speciality aroma chemicals, reduction in raw material prices and also operational efficiency brought about through better and optimum utilisation of resources and proper implementation of business policies, plans and strategies

For Standalone Performance and Consolidated performance the members may refer the Board's report.

Human Resources / Industrial Relations

Our employees are our greatest asset and we are committed to attract, retain and recognise talent. We believe in providing our employees career growth while boosting a collaborative and fair working environment. We encourage fresh minds and new ideas. The Company constantly facilitates and encourages its employees at all levels to enhance their knowledge and skills and continuously seeks

to inculcate within its employees, a strong sense of business ethics and social responsibility.

With pandemic scenario we have been working from home since more than a year to keep our human resources absolutely safe and away from the infection. Being in essential services we are operating our manufacturing and R&D unit under the rules of essential items manufacturing with minimum capacity of the employees and with safety. We sanitize our offices regularly at our various locations. The Industrial relations in manufacturing units of the Company continued to be cordial throughout the year.

We as an organization remain committed to the fight against the pandemic and continue to take all the necessary steps in protecting the interests of our entire team that is working tirelessly to make sure that the business stays operational during these difficult times.

The total number of permanent employees in the Company is 683 as on 31st March, 2021.

Details of Significant Changes

There were significant changes (i.e. change of 25% or more as compared to the immediately previous Financial year) in the following key financial ratios:

Ratio Analysis on Standalone Basis

Financial Year	2021	2020	YoY Change	Reason for Change
Operating Profit Margin Ratio (%)	21.95%	16.88%	30.01%	Due to better sales realisation and reduction in raw material prices during the year.
Interest Coverage Ratio (times)	64.79	10.73	504.14%	Lower utilisation of Borrowing during the year
Debt Equity Ratio (times)	0.14	0.11	27.62%	Due to increase in Borrowing at the year end
Net Profit Margin (in % term)	14.45%	11.42%	26.49%	Due to better sales realisation, reduction in material prices and lower finance cost during the year.

There are no significant changes in the following Key Financial Ratios:

Debtors Turnover Ratio, Inventory Turnover Ratio and Current Ratio

Return on Networth

The Details of Return on Net Worth at standalone level are as under:

Financial Year	2021	2020	YoY Change
Return on net worth % (Profit after tax/ Net worth)	18.37%	18.71%	-1.77%

There is no significant change in the Return on Net worth

Pollution and Environment Control

All our plants are designed with appropriate Waste Management Systems and operate in harmony with the surrounding ecosystem. Highest importance is always given by the Company to ensure that the environment remains relatively pollution free. The Company gives utmost importance to the use of water and focuses tremendously on reusing, recycling and reducing the usage of water during manufacturing process and other plant related activities at its various plants. Adequate pollution control facilities are installed at both the plants as per guidelines of pollution control authority and are run as per set norms. For safety, the work force is provided with appropriate safety equipment and necessary training is provided from time to time.

Cautionary Statement

Statements in the Management Discussion and Analysis that address expectations or projects about the future,

including but not limited to statement about Company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements and these forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations, include among others, economic conditions affecting demand/supply and price conditions in global and domestic markets, changes in government regulations, Tax laws and other statutes and incidental factors.

Every possible caution is undertaken to identify the risks and uncertainties that can affect the Company's performance.

Notice of Annual General Meeting

Notice is hereby given that the 49th Annual General Meeting of the members of Oriental Aromatics Limited will be held on Tuesday, 27th July, 2021 at 11:00 a.m. IST through **Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS

1. Adoption of the Annual Audited Standalone and Consolidated Financial Statements and Reports thereon

To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2021, together with the reports of the Board of Directors and Auditors thereon.

2. Confirmation of Interim Dividend

To confirm the payment of Interim dividend on Equity Shares. The Board of Directors in its meeting held on 18th November, 2020 had declared an interim dividend of ₹2.5 (i.e 50%) per equity share of face value of ₹ 5/- each for the financial year 2020-2021.

3. Appointment of a Director in place of one retiring by rotation

To appoint a Director in place of Mr. Bhadresh Kumar Pandya (DIN: 08809906) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Ratification of remuneration of Cost Auditor

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹1,45,000/- (Rupee One Lakh Forty-Five Thousand only) per annum, plus applicable taxes and re-imbusement of out of pocket expenses incurred in connection with the Audit, as approved by the Board of Directors based on recommendation of Audit Committee of the Company, to be paid to M/s V. J. Talati & Co.(Firm Registration No. R00213), Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending 31st March, 2022, be and is hereby ratified and confirmed."

5. Revision in the terms of appointment of Mr. Dharmil A. Bodani, Managing Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT in partial modification of the resolution previously passed by the shareholders in their meeting held on 24th September, 2018 and pursuant to the provisions of Regulation 17(6)(e) and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sections 197, 198 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to the revised terms of appointment (remuneration) of Mr. Dharmil A. Bodani (DIN: 00618333), Managing Director of the Company to the extent and in such manner as stated in the explanatory statement attached hereto and subject to the maximum remuneration not exceeding ₹ 5,00,00,000/- (Rupees Five Crore only) per annum with effect from 1st April, 2021, during his remaining tenure.

RESOLVED FURTHER THAT Mr. Dharmil A. Bodani (DIN: 00618333), Managing Director of the Company be paid remuneration as the Board of Directors based on recommendations of Nomination and Remuneration Committee may from time to time determine, within the limits as stated above, in conformity with the provisions of the Act, the rules and regulations made thereunder and in accordance with the limits specified in Schedule V of the Act and any amendment thereto.

RESOLVED FURTHER THAT all the terms of appointment shall remain the same as are set out in the Agreement, subject however to the modifications to be made therein as mentioned hereinabove.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing."

6. Revision in the terms of appointment of Mr. Shyamal A. Bodani, Executive Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in partial modification of the resolution previously passed by the shareholders in their meeting held on 24th September, 2018 and pursuant to the provisions of Regulation 17(6)(e) and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sections 197, 198 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to the revised terms of appointment (remuneration) of Mr. Shyamal A. Bodani (DIN: 00617950), Executive Director of the Company, to the extent and in such manner as stated in the explanatory statement attached hereto and subject to the maximum remuneration not exceeding ₹ 4,00,00,000/- (Rupees Four Crore only) per annum with effect from 1st April, 2021, during his remaining tenure.

RESOLVED FURTHER THAT Mr. Shyamal A. Bodani (DIN: 00617950), Executive Director of the Company be paid remuneration as the Board of Directors based on recommendations of Nomination and Remuneration Committee may from time to time determine, within the limits as stated above, in conformity with the relevant provisions of the Act, the rules and regulations made thereunder and in accordance with the limits specified in Schedule V of the Act and any amendment thereto.

RESOLVED FURTHER THAT all the terms of appointment shall remain the same as are set out in the Agreement, subject however to the modifications to be made therein as mentioned hereinabove.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing.”

7. Approval of remuneration of related party, Ms. Anita Satoskar, holding office or place of profit

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the revised terms of appointment of Ms. Anita Satoskar holding office or place of profit, as Chief Research & Development Officer, w.e.f 01st August 2021 as detailed in the Explanatory Statement attached hereto subject to the maximum remuneration not exceeding ₹ 2,50,00,000/- (Rupees Two Crore and Fifty Lakh only) per annum with effect from 1st August, 2021.

RESOLVED FURTHER THAT the Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of the persons holding office or place of profit within the maximum limit approved by the shareholders.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing.”

By Order of the Board of Directors
For Oriental Aromatics Limited

Place: Mumbai,
Date: 10th May, 2021

Kiranpreet Gill
Company Secretary

Registered Office:
133, Jehangir Building
2nd Floor, Mahatma Gandhi Road,
Mumbai- 400001.
CIN: L17299MH1972PLC285731
E-mail:cs@orientalaromatics.com

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and Securities and Exchange Board of India ("SEBI") Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and all other relevant circulars issued from time to time, physical attendance of the members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). The registered office of the Company shall be deemed to be the venue for the AGM. Hence, members can attend and participate in the ensuing AGM through VC/OAVM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 27 below.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting pursuant to Section 113 of the Act.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), ("SEBI Listing Regulations") and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.orientalaromatics.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com
7. Institutional/Corporate Shareholders (i.e. other than HUF, NRI etc) intending to attend the meetings through their authorized representatives are requested to send a scanned copy (PDF/JPG Format) of certified true copy of the Board Resolution to the Company authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through e-voting, to the Scrutinizer through e-mail at shreyanscs@gmail.com with a copy marked to evoting@nsdl.co.in and to the Company at cs@orientalaromatics.com
8. The recorded transcript of the AGM shall also be made available on the website of the Company at www.orientalaromatics.com as soon as possible after the meeting is over.
9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
10. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Annual Report will be sent through electronic mode to only those Members whose email ids are registered with the Registrar and Share Transfer Agent- Link Intime India Private Limited ("RTA") of the Company/ Depository Participant(s). Members who have not registered their e-mail ids are requested to refer to Note No. 27 -e-voting instructions i.e. procedure for obtaining the Login credentials for remote e-voting.

11. We urge Members to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail. Members holding shares in dematerialised form, who have not registered their e-mail addresses are requested to register their e-mail addresses with their respective Depository Participants and Members holding shares in physical form are requested to update their e-mail addresses with our RTA, Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in for receiving all communication, including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. Statement giving details of the Directors seeking appointment/ re-appointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India.
13. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 20th July, 2021 to Tuesday, 27th July, 2021 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and as per the provisions of Regulation 42 of the SEBI Listing Regulations, 2015 for annual closing.
14. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection during the meeting in electronic mode and the same may be accessed upon during the AGM on the website of the Company i.e. www.orientalaromatics.com under the head Investor Relations-Inspection Documents.
15. Share documents and all correspondence relating thereto, should be addressed to RTA at Link Intime India Private Limited- C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 or at their designated email id i.e. rnt.helpdesk@linkintime.co.in
16. Under the system of payment of dividend through NECS, the shareholders get the credit of dividend directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of warrant in transit or its fraudulent encashment. Shareholders holding shares in physical form and desirous of availing NECS facility are requested to furnish particulars of their bank account (including 9 digit MICR code) to the Company's RTA and in respect of shares held in demat (electronic) form such particulars should be furnished to respective Depository Participants.
17. SEBI has amended Regulation 40 of SEBI Listing Regulations, pursuant to which securities can be transferred only in dematerialized form. However, it is clarified that members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risk associated with physical shares.
18. Members holding shares in physical mode:
 - a) are requested to submit their Permanent Account Number (PAN) and bank account details to the Company/ RTA, if not registered with the Company as mandated by SEBI.
 - b) are advised to register the nomination in respect to their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website www.orientalaromatics.com and can be accessed at link <http://www.orientalaromatics.com/documents/downloads/sh-13-nomination-form.pdf>
 - c) who are desirous of cancelling/ varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the RTA of the Company.
 - d) are requested to intimate any change in address or bank mandates to the Company/ RTA.
19. Members holding shares in electronic mode:
 - a) are requested to submit their Permanent Account Number (PAN) and bank account details to their respective Depository Participants (DP) with whom they are maintaining their demat accounts.
 - b) are advised to contact their respective DP's for registering the Nomination.
 - c) are requested to intimate any change in address or bank mandates to their respective DP's

20. Non- Resident Indian members are requested to inform RTA, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
21. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
22. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic Statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
23. The provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules) are applicable to the Company. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends on the website of the IEPF viz. www.iepf.gov.in and on the website of the Company under "Investors Relations Section".
24. The MCA had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these rules, members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back by them. Concerned members/investors are advised to visit the web link: <http://iepf.gov.in/IEPFA/refund.html> or contact RTA for lodging claim for refund of shares and/or dividend from the IEPF Authority. For details, please refer to corporate governance report which is a part of this Annual Report.
25. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
26. An interim dividend at the rate of ₹ 2.5 (50%) per equity share of ₹ 5/- each declared by the Board at its meeting held on 18th November, 2020 has been paid to all the eligible members as on 4th December 2020, being the record date for the purpose of interim dividend.

The directors recommend for confirmation of the shareholders the above referred interim dividend for the financial year ended 31st March 2021.

As per the SEBI Listing Regulations and pursuant to SEBI Circular dated 20 April 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, the interim dividend, which was declared on 18th November, 2020 was paid through electronic mode, where the bank account details of the shareholders were available. The intimation regarding such remittance was sent to the shareholders via e-mail, whose e-mail ids were registered/ available with the Company. With respect to the shares held by the shareholders in physical mode, the dividend warrants were duly dispatched within the statutory timelines.

27. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**
 - a. The Company is pleased to provide the facility to the members to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means.
 - b. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Tuesday, 20th July, 2021. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
 - c. The person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Tuesday, 20th July, 2021, only shall be entitled to avail the facility of e-voting.

I. The instructions for members for remote e-voting are as under:

- i. The remote e-voting period begins on Friday, 23rd July, 2021 at 09:00 A.M. and ends on Monday, 26th July, 2021 at 05:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 20th July, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- ii. **How do I vote electronically using NSDL e-Voting system?**





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com/. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p style="color: blue; font-weight: bold;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- a. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
 - b. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
 - c. Now you are ready for e-Voting as the Voting page opens.
 - d. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
 - e. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- iii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
 - iv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Contact Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: AmitV@nsdl.co.in; or Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: pallavid@nsdl.co.in or at evoting@nsdl.co.in
- II. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**
- i. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to our RTA at rnt.helpdesk@linkintime.co.in or to the Company at cs@orientalaromatics.com
 - ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self- attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to our RTA at rnt.helpdesk@linkintime.co.in or to the Company at cs@orientalaromatics.com .If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
 - iii. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
 - iv. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

III. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

IV. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@orientalaromatics.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@orientalaromatics.com. These queries will be replied by the company suitably by email.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

V. Procedure for registration of e-mail address for obtaining Notice of the AGM and Annual Report and updation of Bank details.

If your e-mail address is not registered with the Depositories (if shares held in electronic form) / Company (if shares held in physical form), you may register on or before 5:00 p.m. (IST) on Thursday, 15th July, 2021 to receive the Notice of the AGM along with the Annual Report 2020-21 by completing the process as under:

i. For Temporary Registration of E-mail id's for Demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E mail Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name,

DPID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification

ii. Registration of email id for shareholders holding physical shares:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd, by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E-mail / Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN , mobile number and e-mail id and also upload the image of share certificate in PDF or JPEG format. (upto 1 MB) . In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

iii. Registration of Bank Details for physical shareholders:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Pvt Ltd , by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the E-mail/Bank Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number , PAN, e-mail id along with the he copy of the cheque leaf with the first named shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

28. CS Shreyans Jain, Company Secretary in Practice has been appointed as the scrutinizer to scrutinize the voting process (both Remote e-voting and voting through electronic means at AGM) in fair and transparent manner.
29. The Scrutiniser, after scrutinising the votes cast through remote e-voting and through electronic means at the AGM, will not later than three days of the conclusion of the meeting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or the Company Secretary. The results declared along with the consolidated Scrutiniser's Report shall be placed on the website of the Company i.e. www.orientalaromatics.com and of NSDL i.e. www.evoting.nsdl.com after the declaration of results. The results shall also be simultaneously communicated to the stock Exchanges.
30. Subject to receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the meeting, i.e. 27th July, 2021

**By order of the Board of Directors
For Oriental Aromatics Limited**

**Kiranpreet Gill
Company Secretary**

Place: Mumbai

Date: 10th May, 2021

Registered Office:

133, Jehangir Building
2nd Floor, Mahatma Gandhi Road,
Mumbai- 400001.

CIN: L17299MH1972PLC285731

E-mail:cs@orientalaromatics.com

Annexure forming part of the notice

(Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013)

This Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No. 4:

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s V. J. Talati & Co., (Firm Registration No. R00213) Cost Accountants for the conduct of the audit of cost records made and maintained by the company, at the remuneration of ₹1,45,000/- (Rupee One Lakh Forty-Five Thousand only) per annum plus all applicable taxes & re-imbursalment of out-of-pocket expenses for the financial year ending 31st March, 2022. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be approved by the Members of the Company. Accordingly, consent of the Members is sought for the remuneration payable to the Cost Auditors.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution at item no. 4 of this notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval and ratification by the members of the Company.

Item No. 5:

In the 46th Annual General Meeting held on 24th September, 2021, the members had approved the re-appointment of Mr. Dharmil A. Bodani as Managing Director of the Company for a period of 5 years on the terms and conditions as contained in the agreement entered into between the Company and Mr. Dharmil A. Bodani, with a specific authority to the Board of Directors to alter or vary terms and conditions of the said appointment and/or agreement including remuneration upto a maximum amount of ₹ 2,10,00,000/- (Rupees Two Crore and Ten Lakh only) per annum.

In view of the increase in the job responsibilities and scope of work in the Company, the Nomination and Remuneration Committee in its meeting held on 10th May, 2021 has recommended an increase in the salary of Mr. Dharmil A. Bodani with effect from 1st April, 2021.

Your Directors have recommended a ceiling on remuneration of ₹ 5,00,00,000/- (Rupees Five Crore only) per annum. Other terms and conditions of the appointment of Mr. Dharmil A. Bodani shall remain same as contained in the agreement entered into between the Company and Mr. Dharmil A. Bodani.

Pursuant to Regulation 17(6)(e), the remuneration payable to executive directors who are members of the promoter group, shall be subject to the approval of the shareholders by special resolution if the remuneration exceeds the limits as mentioned in the aforesaid regulation. As Mr. Dharmil A. Bodani and Mr. Shyamal A. Bodani fall under the category of promoters and it is recommended to revise their terms of appointment (remuneration), the resolution mentioned in Item no.5 is proposed as a Special Resolution.

The main terms and conditions of remuneration of Mr. Dharmil A. Bodani are as under:

1. Remuneration:

- a) **Salary:** ₹ 25,00,000/- to ₹ 38,00,000/- per month.

Other terms of remuneration of the Managing Director shall be under:

- b) **Incentive Remuneration:** Such incentive remuneration not exceeding 100% of the annual salary to be paid at the discretion of the Board annually, based on certain performance criteria.
- c) **Commission:** Such remuneration by way of Commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated in Sections 197,198 read with Schedule V and all other applicable provisions of the Companies Act 2013. The specific amount payable to the Managing Director will be based on certain performance criteria, to

be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the members.

- d) **Perquisites:** Perquisites will be allowed to the Managing Director, in addition to the salary and commission. For this purpose, the perquisites are classified into three categories, Part A, B and C.

PART A

- i. **Housing:** Company owned/rented accommodation as may be decided by the Board. In case where the Company owned/rented accommodation is provided, maintenance and repairs allowance of ₹ 30,00,000/- p.a. shall also be paid to the Managing Director. The expenditure incurred by the Company on gas, electricity, water and furnishing if provided shall be valued as per the Income Tax Rules, 1962.
- ii. **Medical Reimbursement:** Reimbursement of expenses incurred by the Managing Director for self and family subject to a ceiling of one month's basic salary in a year or five months' basic salary over a period of five years.
- iii. **Leave Travel Concession:** Leave Travel Concession for Managing Director and his family once in a year incurred in accordance with the rules of the Company
- iv. **Club Fees:** Fees of one club. This will not include admission and life membership fees.

PART B

- i. **Provident Fund and Superannuation Fund:** Company's contribution to Provident Fund and Superannuation Fund in accordance with the rules and regulations in force in the Company from time to time. Contribution to these funds will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- ii. **Gratuity:** Benefits in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.

PART C

- i. **Car:** Provision of car for use on Company's business. Personal use of car shall be billed by the Company individually to the Managing Director.
- ii. **Telephone:** Provision of Telephone and internet at residence and mobile phone will not be considered as a perquisite. Personal long distance calls on telephone, mobile phone shall be billed by the Company to the Managing Director.

OTHER BENEFITS TO THE MANAGING DIRECTOR:

- a. Leave as per rules in force in the Company from time to time.
 - b. Benefits under other Schemes including any insurance policy, in accordance with the practices, rules and regulations in force from time to time.
 - c. Such other benefits as may be provided by the Company to other senior officers from time to time.
2. **Minimum Remuneration:** If in any financial year, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites will be subject to the ceilings and the conditions set out in Section II of Part II of Schedule V of the Companies Act, 2013.

Mr. Dharmil A. Bodani is interested in the resolution to the extent of remuneration, perquisites and benefits, he would enjoy and Mr. Shyamal A. Bodani being his relative is also concerned or interested, in the resolution set out at Item No.5 of the notice.

The Board Recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members of the Company.

Item No. 6

In the 46th Annual General Meeting held on 24th September 2018, the members had approved the re-appointment of Mr. Shyamal A. Bodani as an Executive Director of the Company for a period of 5 years on the terms and conditions as contained in the agreement entered into between the Company and Mr. Shyamal A. Bodani, with a specific authority to the Board

of Directors to alter or vary terms and conditions of the said appointment and/or agreement including remuneration upto a maximum amount of ₹ 1,56,00,000/- (Rupees One Crore and Fifty-Six Lakh only) per annum.

In view of the increase in the job responsibilities and scope of work in the Company, the Nomination and Remuneration Committee in its meeting held on 10th May, 2021 has recommended an increase in the salary of Mr. Shyamal A. Bodani with effect from 1st April, 2021.

Your Directors have recommended a ceiling on remuneration of ₹ 4,00,00,000/- (Rupees Four Crore only) per annum. Other terms and conditions of the appointment of Mr. Shyamal A. Bodani shall remain same as contained in the agreement entered into between the Company and Mr Shyamal A. Bodani.

Pursuant to Regulation 17(6)(e), the remuneration payable to executive directors who are members of the promoter group, shall be subject to the approval of the shareholders by special resolution if the remuneration exceeds the limits as mentioned in the aforesaid regulation. As Mr. Dharmil A. Bodani & Mr. Shyamal A. Bodani fall under the category of promoters and as it is recommended to revise their terms of appointment (remuneration), the resolution mentioned in item no.6 is proposed as a Special Resolution.

The main terms and conditions of remuneration of Mr. Shyamal A. Bodani are as under:

1. Remuneration:

- a) **Maximum Remuneration:** ₹ 4,00,00,000/- per annum (including perquisites)

Other terms of remuneration of the Executive Director shall be under:

- b) **Incentive Remuneration:** Such incentive remuneration not exceeding 100% of the annual salary to be paid at the discretion of the Board annually, based on certain performance criteria.
- c) **Commission:** Such remuneration by way of Commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated in Sections 197,198 read with Schedule V and all other applicable provisions of the Companies Act, 2013. The specific amount payable to the Executive Director will be based on certain performance criteria, to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the members.
- d) **Perquisites:** Perquisites will be allowed to the Executive Director, in addition to the salary and commission. For this purpose, the perquisites are classified into three categories, Part A, B and C.

PART A

- i. **Housing:** Company owned/rented accommodation as may be decided by the Board. In case where the Company owned/rented accommodation is provided, maintenance and repairs allowance of ₹ 30,00,000/- p.a. shall also be paid to the Executive Director. The expenditure incurred by the Company on gas, electricity, water and furnishing if provided shall be valued as per the Income Tax Rules, 1962.
- ii. **Medical Reimbursement:** Reimbursement of expenses incurred by the Executive Director for self and family subject to a ceiling of one month's basic salary in a year or five months' basic salary over a period of five years.
- iii. **Leave Travel Concession:** Leave Travel Concession for Executive Director and his family once in a year incurred in accordance with the rules of the Company
- iv. **Club Fees:** Fees of one club. This will not include admission and life membership fees.

PART B

- i. **Provident Fund and Superannuation Fund:** Company's contribution to Provident Fund and Superannuation Fund in accordance with the rules and regulations in force in the Company from time to time. Contribution to these funds will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- ii. **Gratuity:** Benefits in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.

PART C

- i. **Car:** Provision of car for use on Company's business. Personal use of car shall be billed by the Company individually to the Executive Director.
- ii. **Telephone:** Provision of Telephone and internet at residence and mobile phone will not be considered as a perquisite. Personal long distance calls on telephone, mobile phone shall be billed by the Company to the Executive Director.

OTHER BENEFITS TO THE EXECUTIVE DIRECTOR:

- a. Leave as per rules in force in the Company from time to time.
- b. Benefits under other Schemes including any insurance policy, and tax thereon, if any.
- c. Such other benefits as may be provided by the Company to other senior officers from time to time.

2. Minimum Remuneration:

If in any financial year, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites will be subject to the ceilings and the conditions set out in Section II of Part II of Schedule V of the Companies Act 2013.

Mr. Shyamal A. Bodani is interested in the resolution to the extent of remuneration, perquisites and benefits, he would enjoy and Mr. Dharmil A. Bodani being his relative is also concerned or interested, in the resolution set out at Item No.6.

The Board Recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members of the Company.

Item No. 7:

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders is also required.

Ms. Anita Satoskar, was appointed as Head Research and Development (Chemical Division) w.e.f. 25th November, 2015 in the Company. She is the spouse of Mr. Parag Satoskar, Chief Executive Officer (KMP) of the Company. In view of the same, the position/office held by Ms. Anita Satoskar in the Company falls within the preview of Section 188(1)(f) and remuneration in excess of ₹ 30,00,000/- (Rupees Thirty Lakh only) per annum, requires shareholders' approval. Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit.

Ms. Anita has vast experience of more than two decades in development of new molecules in the fragrance and flavour industry. Ms. Anita Satoskar was also appointed as a KMP of the Company designated as Chief Research & Development Officer, under Section 2(51) of the Companies Act, 2013 with the remuneration of ₹ 30,00,000/- (Rupees Thirty Lakh only) per annum w.e.f. 25th March, 2021.

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee at their meeting held on 10th May, 2021 had recommended a ceiling on remuneration of 2,50,00,000/- (Rupees Two Crore and Fifty Lakh only) per annum, payable to Ms. Anita Satoskar w.e.f 1st August, 2021, subject to approval of the Shareholders by way of an Ordinary Resolution.

The main terms and conditions of remuneration of Ms. Anita are as under:

Remuneration:

- a) **Maximum Remuneration:** ₹ 2,50,00,000/- per annum (including perquisites).
- b) **Perquisites:** Perquisites are classified into three categories the PART A, B & C. PART A & B are included in the salary (as above) and perquisites classified in PART C are in addition to the salary of Ms. Anita, which are as under:-

PART A

- i. **Medical Reimbursement:** Reimbursement of expenses incurred by her for self and family subject to a ceiling of one month's basic salary in a year or five months' basic salary over a period of five years.
- ii. **Leave Travel Concession:** Leave Travel Concession for her and her family once in a year incurred in accordance with the rules of the Company.

PART B

- i. **Gratuity:** Benefits in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.

PART C

- i. **Car:** Provision of car for use on Company's business. Personal use of car shall be billed by the Company individually to her.
- ii. **Telephone:** Provision of Telephone and internet at residence and mobile phone will not be considered as a perquisite. Personal long distance calls on telephone, mobile phone shall be billed by the Company to her.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives thereof except Mr. Parag Satoskar (Chief Executive officer & KMP) is concerned or interested financially or otherwise in the resolution at Item no. 7 of this notice.

The Board recommends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the members of the Company.

**By order of the Board of Directors
For Oriental Aromatics Limited**

**Kiranpreet Gill
Company Secretary**

Place: Mumbai

Date: 10th May, 2021

Registered Office:

133, Jehangir Building

2nd Floor, Mahatma Gandhi Road,

Mumbai- 400001.

CIN: L17299MH1972PLC285731

E-mail:cs@orientalaromatics.com

Details of Directors seeking Appointment/Re-appointment at the 49th Annual General Meeting (Pursuant to Regulation 26 and 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and SS-2- Secretarial Standards on General Meetings:

Name of the Director	Mr. Bhadreshkumar Pandya
DIN	08809906
Date of Birth & Age	3 rd October, 1973, 47years
Date of 1 st Appointment on the Board	10 th August, 2020
Qualification	Bachelor of Engineering (Chemical)
Experience (including Expertise in Specific Functional Area)/ Brief Resume	Mr. Bhadreshkumar Pandya has Twenty-five years of rich experience in Chemical Manufacturing industries in Specialty Chemicals, Aromatic, Petrochemical, Hydrogenation, Agro- intermediate and Biochemical etc. He has expertise in product development, systems improvement, strategic cost control, technical service etc.
Terms and Conditions of re-appointment	As per Agreement
Directorships held in other listed Companies	NIL
Memberships/Chairmanships of Committees in other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL
Inter-se relationship with other Directors and Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Number of shares held in the Company as on 31 st March 2021	NIL

Note: For Details such as Number of Board Meetings attended during the financial year 2020-21 by the above Director and remuneration drawn by him, please refer the Corporate Governance Report which is the part of this Annual Report.

**By order of the Board of Directors
For Oriental Aromatics Limited**

**Kiranpreet Gill
Company Secretary**

Place: Mumbai

Date: 10th May, 2021

Registered Office:

133, Jehangir Building

2nd Floor, Mahatma Gandhi Road,

Mumbai- 400001.

CIN: L17299MH1972PLC285731

E-mail:cs@orientalaromatics.com

Board's Report

Dear Members,

Your Directors are pleased to present the 49th Annual Report on business and operations of Oriental Aromatics Limited ("the Company") along with the Audited Financial Statements (Standalone and Consolidated) for the financial year ("FY") ended 31st March, 2021 and the report of the Auditors thereon.

1. FINANCIAL HIGHLIGHTS:

The Financial performance of the Company for the year ended 31st March, 2021 on a Standalone and Consolidated basis, is summarized below:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2020-2021	2019-2020	2020-2021	2019-2020
Revenue from Operations	70883.55	75943.01	70883.55	75989.45
Other Income	175.69	628.23	165.41	663.11
Profit before exceptional items, depreciation and finance costs	15731.14	13447.48	15672.80	13384.16
Less : Depreciation and amortisation expense	1745.93	1901.86	1745.93	1901.86
Profit before finance costs	13985.21	11545.62	13926.87	11482.30
Less: Finance costs	240.08	1195.26	231.05	1192.46
Profit before exceptional items and tax expenses	13745.13	10350.35	13695.82	10289.84
Less: Exceptional Items		-		-
Profit before tax	13745.13	10350.35	13695.82	10289.84
Less : Tax expense	3502.48	1674.88	3502.06	1670.95
Profit for the year	10242.65	8675.47	10193.76	8618.88
Attributable to :				
Equity shareholders of the Company	10242.65	8675.47	10193.76	8618.88
Other comprehensive income ('OCI') Income/(Loss)	(35.58)	(74.14)	(35.58)	(74.14)
Total comprehensive income	10207.07	8601.33	10158.17	8544.74
Balance in retained earnings at the beginning of the year	40316.16	33060.70	40353.09	33514.21
Add: Profit for the year (attributable to equity shareholders of the Company)	10242.65	8675.47	10193.76	8618.88
Add: Transfer to Items other comprehensive income		-		-
Less: Dividends including tax on dividend	841.47	1420	841.47	1420
Balance in retained earnings at the end of the year	49717.34	40316.17	49705.38	40353.09

2. OPERATIONAL PERFORMANCE/STATE OF COMPANY'S AFFAIRS:

a. Standalone Performance:

During the year under review, the revenue from operations of your Company stood at ₹ 70883.55 Lakh as against ₹ 75943.01 lakh for the previous year, showing a marginal decrease of 6.66 %.

The Company earned a Profit after tax of ₹ 10242.65 Lakh as against ₹ 8,675.47 lakh for the previous year, thereby registering a growth of 18.06 %.

The Company managed to register the aforesaid growth mainly due to better sales realization, higher volumes in specialty aroma chemicals, reduction in raw material prices and also operational efficiency brought about through better and optimum utilization of resources and proper implementation of business policies, plans and strategies.

Due to increase in the profit, the Earning per share (EPS) increased from ₹ 25.78 in the previous year to ₹ 30.44 in the year under review.

The net worth of your Company increased to ₹ 50981.62 Lakh at the end of the FY 2021 from ₹ 41,616.03 lakh at the end of FY 2020, thereby registering a growth of 22.50%.

Your Company performed well during the year by efficiently managing the resources, which resulted into improved performance and increase in profit and EPS.

b. Consolidated Performance:

The consolidated total sales of your Company for the FY 2020-21, stood at ₹ 70,883.55 lakh as against ₹ 75,989.45 lakh, showing a marginal decrease of 6.72 %

The Company earned a Consolidated Profit after tax of ₹ 10,193.76 lakh as against ₹ 8,618.88 lakh for the previous year, thereby registering a growth of 18.27 %.

As a result of increase in the consolidated profit, the Earning per share (EPS) also increased from ₹ 25.61 in the previous year to ₹ 30.29 in the year under review.

The Consolidated net worth of your Company increased to ₹ 50,964.21 lakh at the end of the FY 2020-21 from ₹ 41,649.53 lakh at the end of FY 2019-20, thereby registering a growth of 22.36%

Your Company continues to focus on value maximization and bringing greater efficiency in overall business including economies of scale and cash flow management.

c. Business Impact of COVID-19:

In early 2020, the coronavirus pandemic (COVID-19) struck countries around the world, presenting enormous challenges to health systems and spurring widespread shutdowns of all economic activity. Since the pandemic have unfortunately continued during the current year as well, the Company has continued work from home facility and have set up infrastructure and systems for smooth operations for personnel working from home, with the primary objective to ensure the safety of its employees and their families and to contain the spread of Coronavirus (COVID-19). The Company also ensures protocols on social distancing in all its plants ensuring the safety, health and well-being of its employees.

Your Company remains committed to the fight against the pandemic and is catering to the needs of "essential services" and it continues to take all necessary steps in protecting the interests of its customers, suppliers and most importantly its entire team that is working tirelessly to make sure that all the businesses stay operational during these difficult times. During the FY 2020-21, the Company evolved to be stronger despite the world being hit by a global pandemic.

The Company's focus on value maximization, supported by optimal use of its manufacturing facilities, its expansion plans and an efficient team would help in navigating any challenges in the current environment and aftermath of COVID-19 pandemic.

3. DIVIDEND:

Your Directors had based on Company's performance, declared an Interim Dividend of ₹2.5/- per share (50%) on the Paid up Equity shares of face value of ₹ 5/- each of the Company amounting to ₹8,41,33,940/- (Rupees Eight Crore Forty-One Lakh Thirty-Three Thousand Nine Hundred and Forty only) for the FY 2020-21 to those members whose names appeared on the Register of Members of the Company on the 04th December, 2020, being the Record date for payment of Interim Dividend.

Your Directors after considering various external and internal factors, have deemed it prudent not to recommend any final dividend on equity shares for the year ended 31st March, 2021.

4. TRANSFER TO RESERVES:

Your Directors do not propose to transfer any amount to reserves for the FY ended 31st March, 2021.

5. SHARE CAPITAL:**a. Authorized Capital**

The Authorized share capital of the Company as on 31st March 2021 stood at ₹ 35,00,00,000/- (Rupees Thirty Five Crore only) comprising of 7,00,00,000 Equity shares of ₹ 5/- each.

b. Paid Up Capital

The paid up Capital of the Company as on 31st March 2021 stood at ₹ 168,267,880/- (Rupees Sixteen Crore Eighty-Two Lakh Sixty-Seven Thousand Eight Hundred and Eighty only) comprising of 33,653,576 shares of ₹ 5/- each.

6. DEPOSITS COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013:

During the year under review your Company has not accepted any Deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

7. FINANCE AND ACCOUNTS:

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on 31st March, 2021 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March 2021. The Notes to the Financial Statements adequately cover the standalone and consolidated Audited Statements and form an integral part of this Report.

8. SECRETARIAL STANDARDS:

Your Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2, relating to ' Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

9. BUSINESS RESPONSIBILITY REPORT:

A detailed report on the initiatives taken by the Company is provided in the business responsibility report, a copy of which is available on the Company's website www.orientalaromatics.com. For Business Responsibility Report as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) , kindly refer Business Responsibility Report section which forms part of this Annual Report.

10. MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which this report relates and the date of the report.

11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the Regulators/courts that would impact the going concern status of the Company and its future operations.

12. CONSOLIDATED FINANCIAL STATEMENTS :

As stipulated under the provisions of the Companies Act 2013 and SEBI Listing Regulations, the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards issued by Institute of Chartered Accountants of India (ICAI). The Audited Consolidated Financial Statement together with Auditors' Report forms part of the Annual Report.

13. PERFORMANCE HIGHLIGHTS OF SUBSIDIARIES:**a. PT Oriental Aromatics (Indonesia)**

Your Company has only one overseas subsidiary namely PT Oriental Aromatics in Indonesia which is engaged in the business of flavours and fragrances. During the FY 2020-21, it recorded a total loss of ₹13.71 lakh due to closing of operations in the Company.

There are no associate companies within the meaning of section 2(6) of the Act.

Pursuant to the provisions of Section 129 (3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached as "**Annexure A**"- to the Board's Report.

b. Oriental Aromatics & Sons Limited

Oriental Aromatics & Sons Limited was incorporated as wholly owned subsidiary of Oriental Aromatics on 27th December, 2019 which is engaged in the business of Speciality Aroma Chemicals, flavors and fragrances. During FY 2020-21, it recorded a total loss of ₹ 2.23 lakh. The Company has not yet commenced its operations. The Loss as stated above pertains to preliminary expenses.

Pursuant to the provisions of Section 129 (3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached as "**Annexure A**" to the Board's Report.

14. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal control review assumes greater importance in the light of current economic downturn. Your Company has maintained a proper and adequate system of internal controls. Monitoring and assessment of internal controls across various functions is performed through continuous evaluations to ensure that the implemented internal control system is effective. . To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditor, corrective actions are undertaken in the respective areas and thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

There were no loans or guarantees given or securities provided by the Company except investments made in wholly owned subsidiary (WOS), Oriental Aromatics & Sons Limited, for which Section 186 of the Companies Act, 2013 is not applicable.

Further, the details of investments in WOS are given in Notes to the financial statements forming part of Annual Report.

16. RELATED PARTY TRANSACTIONS:

All Related Party Transactions that were entered into during the FY 2020-21 were on arm's length basis and in the ordinary course of business.

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations during the financial year under review were on arm's length basis and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required. Further, there are no material related party transactions during the year under review. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS".

As required under Regulation 23(1) of the SEBI Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The policy on dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website www.orientalaromatics.com and the weblink thereto is:

<http://www.orientalaromatics.com/documents/corporate-governance/policies/policy-on-related-party-transactions.pdf>

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. COMPOSITION:

The Board comprises of 8 (eight) directors, out of which 4(four) are independent directors.

b. RE-APPOINTMENT/APPOINTMENT:

In terms of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Bhadreshkumar Pandya (DIN: 08809906), Executive Director-Operations of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The proposal regarding the re-appointment of the aforesaid Director is placed for your approval. The Board of Directors recommends his re-appointment.

As required under the SEBI Listing Regulations, particulars of Directors seeking appointment/Re-appointment at the ensuing General Meeting have been given under Corporate Governance Report and in the Notice of the 49th Annual General Meeting.

None of the Directors are disqualified from being appointed as Directors, as specified in Section 164 of the Companies Act, 2013.

c. DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors of Company have given the declarations that they meet the criteria of Independence as prescribed pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations, as amended from time to time and are independent of the management.

d. NUMBER OF MEETINGS OF THE BOARD:

During the year six (6) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI Listing Regulations. Detailed information on the meetings of the Board and Committees are included in the Corporate Governance Report, which forms part of this Annual Report.

e. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Company has set Familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The details of which are available on the website of the Company www.orientalaromatics.com. The Weblink of the same is as below:

<http://www.orientalaromatics.com/documents/corporate-governance/policies/familiarization-program.pdf>

For details of the Familiarisation programme conducted, kindly refer Corporate Governance Report which forms part of this Annual Report.

f. BOARD EVALUATION:

In terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board functioning like composition of the Board and its committees, culture, execution and performance of Specific duties, obligations and governance.

The board carried out an annual performance evaluation of its own performance, individual directors as well as the working of the committees of the board. The performance evaluation of board and committees was carried out by the board after seeking all inputs from all the directors on the basis of criteria such as composition, structure, effectiveness and functioning of the Board and its respective committees. The performance evaluation of the individual directors was carried out by the entire board excluding the director being evaluated.

In the separate meeting of independent directors, performance evaluation of the chairperson and the non-independent directors and board as a whole was carried out taking into account views of executive and non-executive directors. The overall performance of chairman, Executive directors, Non-executive directors, Board and Committees of the Board was found satisfactory.

g. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**Change in Directorate and KMP:**

Mr. Animesh Dhar, Executive Director-Operations (DIN: 07905777) of the Company stepped down from the post of directorship on 21st July 2020 due to personal reasons. The Board in its meeting held on 10th August 2020 took note of the same and placed on record its appreciation for the contributions made by him during his tenure as a director.

Mr. Bhadreshkumar A. Pandya (DIN: 08809906) was appointed as 'Executive director-Operations' of the Company for a period of five years in the 48th Annual General Meeting with effect from 10th August, 2020.

Ms. Anita Satoskar was appointed as Key Managerial Personnel (KMP) of the Company designated as Chief Research & Development Officer, under Section 2(51) of the Companies Act, 2013 with effect from 25th March, 2021.

Pursuant to the provisions of Section 203 of the Act, the KMP's of the Company as on 31st March, 2021 were as follows:

Mr. Dharmil A. Bodani - Chairman and Managing Director

Mr. Shyamal A Bodani -Executive director

Mr. Bhadreshkumar Pandya - Executive Director- Operations

Mr. Satish Kumar Ray-Executive Director- Operations

Mr. Parag K. Satoskar – Chief Executive Officer

Mr. Girish Khandelwal - Chief Financial Officer

Ms. Kiranpreet Gill -Company Secretary and Compliance Officer

18. CORPORATE GOVERNANCE

A separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance, forms a part of this Annual Report, as per SEBI Listing Regulations.

19. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report as required under the provisions of SEBI Listing Regulations forms part of this Annual Report.

20. DIRECTOR'S RESPONSIBILITY STATEMENT:-

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013, your Directors hereby state and confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed, and there have been no material departures.
- b. Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at 31st March, 2021 and of the Company's profit for the year ended on that date.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The annual financial statements have been prepared on a going concern basis.
- e. That internal financial controls were laid down to be followed and that such internal financial controls were adequate and were operating effectively.
- f. Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. DISCLOSURES RELATED TO POLICIES:**a. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Pursuant to Section 135 of the Companies Act, 2013 and the Rules made there under, the Board of Directors has constituted the Corporate Social Responsibility (CSR) Committee under the Chairmanship of Mr. Shyamal A .Bodani, Executive Director (DIN:00617950). The Company undertakes CSR activities in accordance with the said Policy. The Company has adopted a strategy for undertaking CSR activities either directly or through Keshavlal V. Bodani Education Foundation, as deemed appropriate, and is committed to allocating at least 2% of average net profit of the last 3 years.

The Company has identified and adopted projects as per the activities included and amended from time to time in Schedule VII of the Companies Act, 2013. Accordingly, the Company focuses on areas towards promoting educational facilities for the students having learning disabilities by making contribution to Keshavlal V. Bodani Education Foundation.

This year, in addition to making contribution to Keshavlal V. Bodani Education Foundation your Company has also made contributions to Nandesari Education Trust situated at Vadodara and to Kasturba Gandhi Balika Vidhyalaya situated at Bareilly towards the Promotion of educational facilities.

Your Company also contributed to the Chief Minister Relief Fund at Bareilly towards Socio-Economic Development and Relief as part of its CSR to contain the spread of Coronavirus pandemic.

The Corporate Social Responsibility Policy is available on the website of the Company www.orientalaromatics.com and the web-link thereto is as below: <http://www.orientalaromatics.com/documents/corporate-governance/policies/csr-policy.pdf>

During the FY 2020-21, the Company has spent the amount of ₹378 Lakh towards the CSR initiatives. The disclosure relating to the amount spent and the details of the activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in “**Annexure-B**” forming part of this report.

b. NOMINATION AND REMUNERATION POLICY:

In terms of the provisions of the Companies Act, 2013 and the SEBI Listing Regulations as amended from time to time, the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board by Directors.

The objective of the Policy is:

- i. to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive/Non-Executive/Independent) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration
- ii. to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- iii. to recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- iv. to assist the Board in ensuring that the Board nomination process is in line with the diversity policy of the Board relating to gender, thought, experience, knowledge and perspectives.

The Nomination and Remuneration Policy was reviewed and revised by the Board on 29th June, 2020, to ensure its continued relevance and to make any amendments consequent to changes in applicable law.

The remuneration has been paid as per the Nomination and Remuneration Policy of the Company. The policy may be accessed on the website of the Company at www.orientalaromatics.com and weblink thereto is:

<http://www.orientalaromatics.com/documents/corporate-governance/policies/NomNRemPol.pdf>

c. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has a vigil mechanism / Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The objective of the Policy is to explain and encourage the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy.

The Vigil Mechanism may be accessed on the Company's website at www.orientalaromatics.com at the link:

<http://www.orientalaromatics.com/documents/corporate-governance/policies/vigil-mechanism.pdf>

d. MATERIAL SUBSIDIARY POLICY:

Pursuant to the provisions of Regulation 16(1)(c) of the SEBI Listing Regulations, 2015, the Company has adopted a Policy for determining Material Subsidiaries laying down the criteria for identifying material subsidiaries of the Company.

The Company does not have any Material subsidiary.

The Policy may be accessed on the website of the Company at the link:

<http://www.orientalaromatics.com/documents/corporategovernance/policies/POLMatSubsidiary.pdf>

e. RISK MANAGEMENT:

Pursuant to the requirement of Section 134 of the Companies Act, 2013, the Company has already in place a Risk Management Plan.

The Company has a robust Business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance your Company's competitive advantage.

The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level. The Company has adopted risk management policy.

22. AUDITORS AND AUDITORS REPORTS:**a. STATUTORY AUDITORS:**

At the Company's 46th Annual General Meeting held on 24th September, 2018, M/s Bagaria & Co LLP (Reg. No. 113447W/W-100019), Chartered Accountants were appointed as statutory Auditors of the Company for a period of 5 years till the conclusion of 51st Annual General Meeting.

The Auditors Report to the shareholders for the year under review does not contain any qualification, reservation, disclaimers or adverse remarks.

b. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Shreyans Jain & Co., Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the FY 2020-21. The Report of the Secretarial Audit carried out is annexed herewith as "Annexure C".

The Secretarial Audit report, as issued by the auditors in Form MR-3 does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Board has on the recommendation of the Audit Committee re-appointed M/s. Shreyans Jain & Co., Practicing Company Secretaries, as Secretarial Auditor, for conducting Secretarial Audit of the Company for the FY 2021-2022.

c. COST AUDITOR:

Pursuant to the provisions of Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Amendment Rules 2014, the Board had appointed M/s V. J. Talati & Co, Cost Accountants as cost auditors to conduct the audit of Cost accounting records for the FY 2020-21

The Cost Audit report for the FY 2019-20 was filed with Ministry of Corporate Affairs on 09th September, 2020.

The Board has on the recommendation of the Audit Committee, re-appointed M/s V. J. Talati & Co., Cost Accountants to conduct the audit of the cost accounting records of the Company for FY 2021-22 at a remuneration of ₹ 1,45,000/- plus Service Tax & re-imbusement of out-of-pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

23. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and Rules framed thereunder.

24. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Since the Company had not declared any dividend for the FY 2012-13, in view of the same, no shares and dividend was transferred during the FY 2020-21 pursuant to section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

25. INSURANCE:

The Company's buildings, plant & machinery and inventories have been adequately insured. Loss of profit with respect to both factories has also been adequately insured.

26. ENVIRONMENTAL COMPLIANCE AND SAFETY:

Your Company gives great importance to pollution control and environment protection and efforts are made at each stage of manufacture to maximize recovery, conserve water and to minimize effluents and emissions. As required by the local authorities the Company submits necessary analytical reports. Environment Audit is conducted on regular basis and reports are submitted to the concerned authorities.

27. LISTING OF SECURITIES:

The Equity Shares of the Company are listed at BSE Limited (BSE) and NSE. The Shares are under compulsory dematerialization list of the Securities & Exchange Board of India. As on 31st March 2021, total 32524660 shares representing 96.64% of Companies Equity Share Capital have been dematerialized. The Company has paid Annual Listing fees for the FY 2021-22 to the stock exchanges where it is listed.

28. INDUSTRIAL RELATIONS:

The relations with the employees of the Company remained peaceful and cordial during the year under review.

29. ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2021 is available on the Company's website at the link <https://www.orientalaromatics.com/documents/inspection-documents/AR2020-21.pdf>

30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required by the Companies (Accounts) Rules, 2014, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgoings respectively, is given in the "Annexure- D" to this report.

31. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

In terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there were no employees except Mr. Dharmil A. Bodani, Chairman and Managing Director and Mr. Shyamal A. Bodani, Executive Director of the Company, drawing remuneration more than ₹ 1.02 crore per annum or ₹ 8.5 lakh per month during the year under review.

Mr. Dharmil A. Bodani aged 51 years, and Mr. Shyamal A. Bodani aged 40 years are both the promoters and withdrew a remuneration of ₹ 2.01 crore and ₹1.09 crore respectively during the year under review. The appointment of Mr. Dharmil A. Bodani and Mr. Shyamal A. Bodani is contractual as approved by the Board and members of the Company.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1), Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached herewith as “Annexure-E”.

32. INFORMATION UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

33. GREEN INITIATIVE:

Your Company has considered and adopted the initiative of going green minimizing the impact on the environment. To support the company’s ‘Green Initiative’, members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with our Registrar and Share Transfer Agent- M/s Link intime India Private Limited (RTA) in case the shares are held by them in physical form. Your Company appeals other Members also to register themselves for receiving Annual Report/documents in electronic form.

34. ACKNOWLEDGEMENT:

Your Directors wish to express their sincere appreciation and are thankful to the Company’s customers, vendors, and investors for their continuous confidence and patronage. The Directors also thank the employees of the Company for the valuable services rendered and the commitment displayed, as well as to the financial institutions, and business associates, regulatory and governmental authorities for their co-operation, support and guidance.

For and on behalf of the Board of Directors

Dharmil A. Bodani
Chairman and Managing Director
DIN: 00618333

Shyamal A. Bodani
Executive Director
DIN: 00617950

Place: Mumbai

Date: 10th May, 2021

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ lakh)

Name of the subsidiary	PT Oriental Aromatics	Oriental Aromatics & Sons Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same reporting as that of Holding Company i.e. 31 st March 2021* (₹ in lakh)	No
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	IDR (198.68)	INR
Share capital	823.73	960.00
Reserves & surplus	-875.86	-23.47
Total assets	14.75	947.50
Total Liabilities	66.88	10.97
Investments	-	-
Total Income	-10.28	9.17
Profit/(Loss) before taxation	-13.71	-2.64
Provision for taxation	-	-0.41
Profit/ (Loss) after taxation	-13.71	-2.23
Proposed Dividend	0.00	-
% of shareholding	99.86%	100%

NOTE: *Reporting period of PT Oriental Aromatics is 31st December. However due to Consolidation of Financial Accounts, Figures as on 31st March ended are taken into consideration.

For and on behalf of the Board of Directors

Dharmil A. Bodani
Chairman and Managing Director
DIN: 00618333

Shyamal A. Bodani
Executive Director
DIN: 00617950

Place: Mumbai

Date: 10th May, 2021

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

Corporate Social Responsibility Section of the Directors Report contains the requisite details.

The Company has adopted a CSR policy in compliance with the provisions of the Companies Act 2013 and the same is also displayed on the Company's website i.e. <http://www.orientalaromatics.com>

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Shyamal A. Bodani (Chairman)	Executive Director	3	3
2	Mr. Harshvardhan A. Piramal (Member)	Non-Executive Independent Director	3	2
3	Ms. Amruda V. Nair (Member)	Non-Executive Independent Director	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: the weblink thereto is:

Composition of Committees:

<https://www.orientalaromatics.com/investorrelations.php>

CSR Policy

<http://www.orientalaromatics.com/documents/corporate-governance/policies/csr-policy.pdf>

CSR Projects

<https://www.orientalaromatics.com/csr.php>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable
6. Average net profit of the company as per section 135(5): ₹ 7,558.99 Lakh
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 151.18 Lakh
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 (c) Amount required to be set off for the financial year: NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 151.18 Lakh
8. (a) CSR amount spent or unspent for the financial year:
 Total Amount Spent for the Financial Year: ₹ 378 Lakh
 Amount unspent: NIL
 (b) Details of CSR amount spent against **ongoing projects** for the financial year: NIL
 (c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the project.		(6) Amount spent for the project (Rs in Lakh)	(7) Mode of implementation - Direct (Yes/ No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Promotion of educational facilities for the students having learning disabilities through contribution to M/s Keshavlal V. Bodani Education Foundation	Education, Schedule VII (ii)	Yes	Mumbai, Maharashtra		373.80	No	*Keshavlal V. Bodani Education Foundation (Implementing Agency)	CSR00002646
2.	Nandesari Education Trust	Education, Schedule VII (ii)	Yes	Vadodara, Gujarat		3.06	Yes	NA	NA
3.	Chief Minister Relief Fund to combat COVID-19	Socio-Economic Development and Relief Schedule VII (viii)	Yes	Bareilly, Uttar Pradesh		0.51	Yes	NA	NA
4.	Promotion of Education facilities by making contributions to Kasturba Gandhi Balika vidyalaya	Education, Schedule VII (ii)	Yes	Vadodara, Gujarat		0.63	Yes	NA	NA
Total						378.00			

- (d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 378 Lakh
- (g) Excess amount for set off, if any: NIL
9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**): Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board of Directors

Dharmil A. Bodani
Chairman and Managing Director
DIN: 00618333

Shyamal A. Bodani
Chairman of CSR Committee
DIN: 00617950

Place: Mumbai
Date: 10th May, 2021

FORM MR-3

Secretarial Audit Report of Oriental Aromatics Limited for the Financial Year ended 31st March 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Oriental Aromatics Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Oriental Aromatics Limited** having **CIN: L17299MH1972PLC285731** (hereinafter called "the Company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our electronic verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the audit period)
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the audit period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the audit period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the audit period);

- (vi) All other relevant laws as are applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes in place to monitor and ensure compliance with those laws.

We have also examined compliance with the applicable clauses of the following and report as under:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India in respect of board and general meetings;
- (ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into by the Company with the Stock Exchange;
- during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The following changes that took place in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act;

- (a). Resignation of Mr. Animesh Dhar from the directorship of the Company with effect from 21st July, 2020;
- (b). Appointment of Mr. Bhadreshkumar Pandiya as an Additional Director and Whole time Director designated as Executive Director – Operations for a term of 5 years with effect from 10th August, 2020.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were carried through, while there were no dissenting views of members as verified from the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Shreyans Jain & Co.**
Company Secretaries

Place: Mumbai
Date: 9th May, 2021

Shreyans Jain
(Proprietor)
FCS No. 8519
C.P. No. 9801
UDIN: F008519C000263433

Note: This report to be read with our letter of even date which is annexed as **Annexure -A** and forms part of this Report.

Annexure A: the Secretarial Audit Report for the year 31st March, 2021

To,

The Members,

Oriental Aromatics Limited,

Our Secretarial Audit Report of even date is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have conducted online verification and examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation imposed for the purpose of issuing this report.

For **Shreyans Jain & Co.**
Company Secretaries

Place: Mumbai
Date: 9th May, 2021

Shreyans Jain
(Proprietor)
FCS No. 8519
C.P. No. 9801
UDIN: F008519C000263433

Conservation of Energy Measures required for Oriental Aromatics Limited

A. CONSERVATION OF ENERGY:

i. Steps taken or impact on conservation of energy:

Your Company has been making continuous efforts to conserve energy, reduce greenhouse gas emissions and upgrade technology to optimize the energy cost. Today, our world faces a dual challenge: meeting growing demand for energy while also reducing environmental impacts, including the risks of climate change. Your Company has always been conscious of the need for conservation of energy and natural resources, biofuel and considers it as a focus area. Energy efficiency improvement initiatives have been implemented across all the Units and Offices by undertaking various energy and resource conservation measures. Your Company continues its policy of giving priority to energy conservation measures including regular review of energy generation, consumption and control on utilization thereof.

The following key initiatives have been undertaken by your Company towards conservation of energy:

- Conventional equipment with more energy efficient equipment in various process changes are made and replaced.
- Implementations of engineering controls to make process robust and safe process during operations.
- R&D team is constantly working on Green chemistry to modify current processes and to make OAL a green company.
- The process team of R&D works to decrease the batch time cycle of current processes to reduce energy consumption.
- Variable Frequency Drives (VFD) installation for vacuum pumps, reactors for energy saving.
- Process improvement for effluent reduction with an aim to make all our plants ZLD (zero liquid discharge) in the future.
- Working on reliable manufacturing synthesis, process innovation, development and safety.
- Installation of Distributed Control Systems (DCS) to make process efficient and control batch times
- Various process changes are made and replacement of certain conventional equipment with more energy efficient equipment. Plant and Machinery are regularly serviced, updated and overhauled and maintained in good condition.
- Streamlining of the manufacturing process and efficient control
- Working on increasing yield, purity as per customer requirement, following short manufacturing process having atom efficiency, helps to decrease consumption of energy and carbon utilization in the environment..
- Close monitoring of lighting system by providing dedicated team to avoid unwanted lighting Power
- Audit initiation of consumption of electrical energy, for making the strategy to consume less electricity.

ii. Steps taken by the Company for utilising alternate sources of energy:

- Green technology development at pilot scale to commercial level for intermediates and finished products.
- Process efficiency/performance improvement in many processes audited by Quality Assurance to reduce non-compliances & achieve customer satisfaction through conducting inspection & testing.
- New Sewage Treatment Plant/ Agitated Thin Film Drier (STP/ATFD) under consideration for sustainability.
- Recycling of boiler & cooling tower blowdown through reverse osmosis (RO) plant is implemented thereby reduced hydraulic load on Effluent Treatment Plant (ETP).
- Recycle of water during distillation and chiller mechanism, piping use in R&D.
- Old obsolete vacuum systems were replaced by latest energy efficient steam jet ejectors reducing water consumption substantially. Improved operational methods and better methods of lighting aimed to save consumption of power and fuel.

- The adoption of energy conservation measures indicated above have resulted in optimum efficiency in operation and saving & controlling in the cost of production.

iii. **The capital investment on energy conservation equipments:**

7.83% of Capital Expenditure

B. RESEARCH AND DEVELOPMENT (R&D) AND TECHNOLOGY ABSORPTION

i. **Efforts made towards (R&D) and Technology Absorption:**

R&D-Vadodara

- From the very beginning your Company has focused on in-house research and development. R & D Centre at Vadodara was established in 1974 to carry out extensive work on Terpene chemistry and has developed several interesting products. It is situated at Plot No. 3, GIDC Industrial Area, Nandesari.
- R&D Centre is recognized by Department of Science and Industry Research (DSIR), Government of India.
- It has well equipped bench scale laboratories to carry out various organic reactions
- It has the facility to carry out high pressure reactions and has various lab scale fractionating columns for separation
- Over the years, the company was able to successfully develop several new products for the first time for turpentine chemical category having 47 patents. It developed several specialty chemicals catering to diverse industries such as soaps and detergents, cosmetics, flavours and fragrances, paints and varnishes, rubber and tyre, pharmaceuticals and many more.

R&D Mumbai:

- Research and Development Division has its main focus on new aroma chemical products.
- Research and Development Program along with innovation in energy efficiency, renewable energy, utilizes green chemistry to make green plants.
- In 2016, your company has also set Centre for innovation, state-of-the-art R&D facility in Mumbai equipped with the infrastructure required for research and new product development.
- It is the state-of-the-art synthesis lab dedicated to research on aroma chemicals having between 20-25 research associates, Head-space Gas Chromatography/Mass Spectrometry (GC-MS), Flash chromatography, UV along with regular analytical set-up. This R & D centre is also recognised by the Department of Scientific & Industrial Research (DSIR) of the Government of India
- The centre has 25 research associates, scientists with excellent capabilities and an extremely efficient regulatory team.
- The centre has well equipped analytical division having Head-space GC-MS, Flash chromatography, Digital Scanning Calorimetry, UV, gas liquid chromatography along with other analytical equipments.
- It has well equipped bench scale laboratories to carry out various organic reactions like Aldol condensation, Oxidation, Reduction, hydrogenation, hydration, Acetylation, Esterification, Isomerization and many more in gm as well as in Kg scale.
- It has the facility to carry out high pressure reactions and has various lab scale fractionating columns for separation and adequate analytical facility like Gas Liquid Chromatography (GLC), GCMS and other instrument to support the research work. Your company has fully equipped pilot plant at Vadodara unit along with utilities to scale up the processes

ii. **Specific areas in which R & D carried out by the Company during the financial year 2020-21**

The focused areas of the Company's R&D effort during 2020-21 include:

- R&D Centre has developed number of molecules of Aroma Chemicals and scaled them up into commercialization.
- Further, R&D Centre has developed biodegradable microencapsulation technology in perfumery delivery system to enhance the shelf life of fragrances and aroma chemicals using different methods to yield final product in solid and/or liquid form as per end application.

- Further, R & D centre, Mumbai continued to focus on:
 1. improvement of yields of existing and new products by new technologies eg green chemistry
 2. reducing costs by optimization of reaction parameters, reaction reengineering and implementing cost effective routes of synthesis on continuous basis,
 3. effluent treatment using bio culture and to assist the plant team to make the plants zero liquid discharge.
 4. reduction of effluent costs by working on the ETP and using green chemistry.

These efforts have resulted in improving quality of the products and reducing their manufacturing cost and energy consumption.

iii. Benefits derived as a result of the above R & D:-

- R& D efforts have helped in developing new Aroma chemicals products and product delivery systems. A crucial part of the development phase is also ensuring that the new products meet guidelines and any statutory requirements.
- R& D efforts have also helped for improvement in new developed process and reduce cost, utility, batch time cycle and energy consumption.
- These new products have been launched commercially in the plant which has resulted in the top line growth of the company.
- Based on R&D, new manufacturing facility for scaling-up of Sealon in project construction. is installed.
- The process improvement efforts have resulted in higher outputs at the plant levels.
- Efforts in R&D have resulted in lower operating costs for the company.
- Process efficiency has resulted in decreased downtime for maintenance activity.

Efforts in green chemistry and sustainability are helping us towards our goal of creating “Green plants”.

iv. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL

v. Total Expenditure incurred on Research and Development

The total expenditure for R & D during the year under review is ₹ 620.92 (Previous year ₹685.28 Lakh) of which ₹ 84.91 (previous year ₹ 66.34 Lakh) is towards capital expenditure and ₹536.01 (previous year ₹ 618.94 Lakh) is towards revenue expenditure.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

The Company continues to export its various products to Europe, USA and other countries. The quality of the products of the Company is well accepted in these markets

(₹ in Lakh)

Foreign Exchange Earned	17639.09
Outgo of Foreign Exchange	23303.66

For and on behalf of the Board of Directors

Dharmil A. Bodani
Chairman and Managing Director
DIN: 00618333

Shyamal A. Bodani
Executive Director
DIN: 00617950

Place: Mumbai
Date: 10th May, 2021

I. **DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- i) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:

Sr. No.	Name of Director/KMP	Designation	*** % Increase in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Dharmil A. Bodani	Chairman and Managing Director	NIL	56.48
2	Mr. Shyamal A. Bodani	Executive Director	NIL	30.48
3	*Mr. Bhadreshkumar Pandya	Executive Director Operations	Not Applicable	9.13
4	Mr Satish Kumar Ray	Executive Director Operations	30%	7.73
5	Mr Parag K Satoskar	Chief Executive Officer	233%	Not Applicable
6	Mr. Girish Khandelwal	Chief Financial Officer	65%	Not Applicable
7	Ms. Kiranpreet Gill	Company Secretary	30%	Not Applicable
8	**Ms Anita K Satoskar	Chief Research & Development Officer	NIL	Not Applicable

*Mr. Bhadresh Pandya was appointed as Executive Director Operations with effect from 10th August, 2020

**Ms. Anita Satoskar was appointed as Chief Research & Development Officer (KMP) with effect from 25th March, 2021

*** Increase in the Remuneration of KMP's as mentioned above was with effect from 1st January, 2021.

- ii) The median remuneration of employees of the Company during the financial year was Rs 3.58 Lakh.
- iii) In the financial year, there was an increase of 9% in the median remuneration of employees;
- iv) There were 653 and 683 permanent employees including directors on the rolls of Company as on 31st March 2020 and 31st March, 2021 respectively.
- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 23.12% whereas the percentile increase in the managerial remuneration for the same financial year was 29.47%

Note: While calculating the percentile increase in the managerial remuneration, the remuneration of Ms. Anita Satoskar has also been considered.

- vi) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

II. **Disclosures in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sr No	Name and Age of the Employee	Designation	Remuneration received (₹in Lakh)	Qualification and Experience	Date of commencement of employee	Last Employment held	% of Equity Shares held and Relationship with other Director
1	Dharmil A. Bodani (51 years)	Chairman and Managing Director	201.80	Qualification: B.COM Experience: He has over two decade of rich experience in fragrance, flavours and chemicals industry. He plays a key role in the growth of the Company with his expertise in Finance and General Management	22.08.2008	Erstwhile Oriental Aromatics Limited	37.08% Relationship with other Director: Brother of Mr. Shyamal A. Bodani

Sr No	Name and Age of the Employee	Designation	Remuneration received (₹in Lakh)	Qualification and Experience	Date of commencement of employee	Last Employment held	% of Equity Shares held and Relationship with other Director
2.	Shyamal A. Bodani (40 years)	Executive Director	109.08	<p>Qualification: B.A. (Hons.) International B. Tech (Chemical Tech) Business Studies, London, U.K</p> <p>Experience: Mr. Shyamal A. Bodani, Executive Director of the Company has over 15 years of experience. He undertakes local as well as overseas marketing sales and export promotion etc. and is actively involved in financial activities of the Company</p>	22.08.2008	Erstwhile Oriental Aromatics Limited	37.08% Relationship with other Director: Brother of Mr. Dharmil A. Bodani

Note: The nature of employment of Mr. Dharmil A. Bodani and Mr. Shyamal A. Bodani is contractual

For and on behalf of the Board of Directors

Dharmil A. Bodani
Chairman and Managing Director
DIN: 00618333

Shyamal A. Bodani
Executive Director
DIN: 00617950

Place: Mumbai
Date: 10th May, 2021

Corporate Governance Report

The Board of Directors present the Company's report on Corporate Governance for the Financial Year (FY) 2020-21 as hereunder, pursuant to the requirements of Regulation 34(3) read with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and other provisions as may be applicable.

1. Company's philosophy on corporate governance:

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Corporate Governance is ongoing process and your Company has always focused on good corporate governance, which is a key driver of sustainable corporate growth, long term value creation and trust. Even in fiercely competitive business environment, the management and employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability.

Your Company confirms the compliance of various provisions relating to Corporate Governance stipulated in Listing Regulations, the details of which are given below:

2. Board of directors:

2.1 Appointment and Tenure:

The Directors of the Company are appointed by the Shareholders at General Meetings. At every Annual General Meeting, 1/3rd of Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Companies Act, 2013. Independent Directors are not liable to retire by rotation. The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

2.2 Composition of Board of Directors and attendance record of each Director:

The Company has an optimum mix of Executive and Non-Executive Independent Directors including woman director. All the members of the Board are competent and are persons of repute with strength of character, professional eminence, having the expertise in their respective disciplines to deal with the management functions of the company.

As on 31st March 2021, the Company's Board consists of 8 (Eight) Directors out of which 4 (Four) Directors are Non-Executive Independent Directors and 4 (Four) are Executive Directors including 1(One) Chairman who is also the Managing Director.

The composition of the Board of Directors of the Company is in conformity with Regulation 17 of Listing Regulations.

The details of composition of the Board, the attendance record of the Directors at the Board Meetings held during the financial year ended 31st March, 2021 and the last Annual General Meeting (AGM), and the details of their other Directorships, and Committee Chairmanships and Memberships are given below:

Name of Directors	Category	Position/ Designation	Attendance at meetings during FY 2020-21		*Other Directorships in Indian Companies as on 31.03.2021	**Committee Membership(s) / Chairmanship(s) in all Companies as on 31.03.2021	
			Board Meetings	48 th AGM held on 15 th September, 2020		Memberships	Chairmanships
Mr. Dharmil A. Bodani (DIN:00618333)	Promoter/ Executive Director	Chairman and Managing Director	6	Yes	2	3	0
Mr. Shyamal A. Bodani (DIN:00617950)		Executive Director	6	Yes	1	0	0
#Mr. Animesh Dhar (DIN: 07905777)	Executive Director	Executive Director- Operations	1	NA	NA	NA	NA
##Mr. Bhadreshkumar A. Pandya (DIN:08809906)		Executive Director- Operations	3	Yes	0	0	0
Mr. Satish Kumar Ray (DIN:07904910)		Executive Director- Operations	5	Yes	0	0	0
Mr. Harshvardhan A. Piramal (DIN:00044972)		Director	5	Yes	3	5	2
Mr. Prakash V. Mehta (DIN:00001366)	Non- Executive Independent Director	Director	6	No	6	9	6
Mr. Ranjit A. Puranik (DIN:00199353)		Director	5	Yes	1	3	1
Ms. Amruda V. Nair (DIN:06716791)		Director	6	No	2	3	0

- a. *Directorships held by directors as mentioned above, excludes directorship in Oriental Aromatics Limited and also excludes directorship in Private Limited Companies, overseas companies and section 8 companies.
- b. **Committees considered are Audit Committee and Stakeholder Relationship Committee, including committees of Oriental Aromatics Limited, Committee memberships also include the Chairmanships.
- c. Mr. Dharmil A. Bodani and Mr. Shyamal A. Bodani are brothers. None of the other directors are related to each other.
- d. The number of Directorship(s), committee membership(s)/chairmanship(s) of all Directors is/are within the respective limits prescribed under the Companies Act, 2013 and Listing Regulations.
- e. Details of Directors(s) retiring or being re-appointed are given in Notice to Annual General Meeting

Change in Directorate:

Mr. Animesh Dhar (DIN: 07905777) Executive Director-Operations of the Company stepped down from the post of directorship on 21st July, 2020 due to personal reasons. The Board in its meeting held on 10th August, 2020 took note of the same and placed on record its appreciation for the contributions made by him during his tenure as a director.

Mr. Bhadreshkumar A. Pandya (DIN: 08809906) was appointed as 'Executive director-Operations' of the Company for a period of five years, by the members in the 48th Annual General Meeting with effect from 10th August, 2020.

2.3 Details of Directorships in other listed Companies:

Sr. No.	Name of Directors	Name of the Listed Companies	Category of Directorship
1	Mr. Dharmil A. Bodani	TCFC Finance Limited	Non-Executive Director
2	Mr. Shyamal A. Bodani	NIL	-
3	Mr. Animesh Dhar	NIL	-
4	Mr. Satish Kumar Ray	NIL	-
5	Mr. Harshvardhan A. Piramal	Morarjee Textiles Limited	Promoter/Executive Director
		Integra Garments and Textiles Limited	Promoter/ Non-Executive / Non Independent
6	Mr. Prakash V. Mehta	Advani Hotels & Resorts (India) Limited	Non-Executive/ Independent
		Bharat Bijlee Limited	Non-Executive/Independent
		Hikal Limited	Non-Executive/Independent
		Mukand Limited	Non-Executive/Independent
		Mukand Engineers Limited	Non-Executive/Independent
7	Mr. Ranjit A. Puranik	NIL	-
8	Ms. Amruda V. Nair	HLV Limited	Non-Executive /Non Independent
9	Mr. Bhadreshkumar A. Pandya	NIL	-

2.4 Details of Skills/expertise/competence of the Board of Directors

- The Board has identified the following core skills/ expertise/ competencies in context to its business and sector: Business Development, Marketing and Communication skills, Engineering and Technical skills, Finance & Accounting, Law, Engineering, Corporate Management, Strategic Management, Product Development, Administration and Advisory skills.
- The following are the skill set with reference to its business and industry that are available with the Board:

Name of the Director	Expertise in specific functional area
Mr. Dharmil A. Bodani	Business Strategy, Corporate Management, Marketing, Finance and Technical skills in product selection on the chemical side of the business and creativity in flavour and fragrance side of the business.
Mr. Shyamal A. Bodani	Strategy Management, Effective Marketing and Communication skills, General Corporate Management
Mr. Satish Kumar Ray	Policy Formulation, Advisory, Planning, and Executive Task related to HR, Commercial, Purchase, Store, Sales, Supply Chain, Tax related matters etc.
*Mr. Bhadreshkumar A. Pandya	Product Development, System improvement, Strategic Cost control, Engineering and Technical skills.
Mr. Harshvardhan A. Piramal	Entrepreneur, Business Development, Finance and Accounting, Technical, Administration and Advisory skills
Mr. Ranjit A. Puranik	Entrepreneur, Business Management, Financial, Technical, Marketing and Advisory skills
Mr. Prakash V. Mehta	Legal, Advocacy skills, Expertise in Joint Ventures & Foreign Collaborations and various Corporate Laws
Ms. Amruda V. Nair	Designing and Brand Programming, Business development, Finance and Accounting, Administration and Advisory skills

Notes:

*Mr. Bhadreshkumar A. Pandya (DIN: 08809906) was appointed as 'Executive director-Operations' of the Company for a period of five years, by the members in the 48th Annual General Meeting with effect from 10th August, 2020.

2.5 Board Meetings:

During Financial year 2020-21, six Board Meetings were held and the gap between two meetings did not exceed 120 days. Board Meetings were held on 29th June, 2020, 10th August, 2020, 20th October, 2020, 18th November, 2020, 20th January, 2021, and 25th March, 2021.

2.6 Independent Directors:

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/ profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and remuneration Committee, for appointment as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decision. The Non-Executive Independent Directors possess requisite experience and specialization in diverse fields such as legal, finance and administration etc.

During the FY 2020-21, the Company has received declarations on criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Confirmations under Regulation 16(1)(b) of Listing Regulations pursuant to amendment in the SEBI (LODR) Regulations, 2015 vide SEBI Circular dated 09th May, 2018, from the directors who have been classified as Independent Directors as on 31st March, 2021. In the opinion of the Board, all Independent Directors meet the criteria of Independence as laid down under Section 149(6) of the Companies Act 2013 and regulation 16(1) (b) of Listing Regulations, as amended from time to time and they are independent of management.

a. Number of Independent Directorships:

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director of the Company does not serve as an Independent Director in any listed entity.

b. Separate Meeting of Independent Directors:

During the year under review, the independent Directors met on 24th February, 2021, inter alia to discuss:

- i. Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- ii. Evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors.
- iii. Evaluation of the quality, content and timeliness of the flow of information between the Management and the Board of Directors that is necessary for the Board to effectively and reasonably perform the duties.

The Meeting was attended by all the Independent Directors.

c. Formal Letter of Appointment to the Independent Directors:

The Company has issued formal letters of appointment to all the Independent Directors on their appointment explaining inter- alia, their roles, responsibilities, code of conduct, functions and duties as Directors of the Company. The terms and conditions of appointment of Independent Directors have been posted on the website of the Company i.e. www.orientalaromatics.com and the weblink thereto is <https://www.orientalaromatics.com/documents/corporate-governance/policies/terms-of-appointment-of-independent-directors.pdf>

d. Familiarisation Programme for Independent Directors:

The Company has set Familiarisation Programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The details of the Familiarisation Programme for Independent Directors are posted on the website of the Company i.e. www.orientalaromatics.com and the weblink thereto is <https://www.orientalaromatics.com/documents/corporate-governance/policies/FamiliarizationFY2020-21.pdf>

Details of Familiarization Programme imparted to independent directors during the FY 2020-21 are as below:

Date on which Familiarization programme was held: 24th February, 2021

Areas covered: Briefing on Business Strategy, Financial Performance & Upcoming Projects of the Company, Factory Operations and Challenges faced amid COVID-19 situation.

Details of attendance of Independent Directors in Familiarisation Programme:

Sr No	Name of Independent Director	No. of programmes attended (during the year and on a cumulative basis till date)		No. of hours spent FY 2020-21 (during the year and on a cumulative basis till date)	
		During the year	Cumulative basis till date	During the year	Cumulative basis till date
1.	Mr. Prakash V. Mehta	1	2	1	2
2.	Mr. Harshvardhan A. Pirmal	1	2	1	2
3.	Mr. Ranjit A. Puranik	1	2	1	2
4.	Ms. Amruda V. Nair	1	2	1	2

2.7 Shareholding of Directors:

The details of shares held by Directors as on 31st March, 2021 are as under:

Name	Number of shares held	% age of total Shareholding
Mr. Shyamal A. Bodani	12480000	37.08
Mr. Dharmil A. Bodani	12478752	37.08

None of the other Directors holds any shares in the Company as on 31st March, 2021.

2.8 Code of Conduct:

The Company has framed a code of conduct for the Non-Executive Directors, Executive Directors and Senior Management Personnel of the Company which is posted on website of the Company i.e www.orientalaromatics.com. All the Board Members and Senior Management of the Company have affirmed compliance with the code of conduct for the financial year ended 31st March, 2021. A declaration to this effect, duly signed by Mr. Parag Satoskar, Chief Executive Officer is annexed hereto.

2.9 Board meetings, Committee meetings and Procedures:

a. Decision making process:

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served.

The Board has constituted several Committees such as Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Finance Committee, Share Transfer Committee etc.

b. Scheduling of Board Meetings:

A minimum of four Board Meetings are held every year. Additional meetings are held to meet business exigencies or urgent matters, and where permitted, Resolutions are passed by Circulation. Dates for the Board Meetings in the ensuing year are decided well in advance.

c. Distribution of Board Agenda along with notes:

The Agenda, along with the explanatory notes, including information as specified in Part A of Schedule II to the Listing Regulations, is circulated to the Directors in advance for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to circulate any document in advance, the same is tabled before the meeting with permission of the Chairman. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

d. Recording Minutes of proceedings of meetings:

Draft minutes are prepared, circulated to all the Directors for their comments, finalized and entered in the Minutes Book by the Company Secretary and, thereafter, signed by the Chairman, in accordance with the applicable Secretarial Standard.

3. COMMITTEES

As mandated by the Companies Act, 2013 (the Act) and Listing Regulations, the Company has constituted an Audit Committee, a Stakeholders Relationship Committee, Nomination & Remuneration Committee, and a Corporate Social Responsibility Committee. The functioning of these Committees is regulated by the mandatory terms of reference, roles and responsibilities and powers. The Minutes of the meetings of all these Committees are placed before the Board for noting.

3.1 AUDIT COMMITTEE:

The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors.

a. Composition of the Committee:

The Audit Committee comprises of 5 members, Mr. Harshvardhan A. Piramal, Mr. Prakash V. Mehta, Mr. Ranjit A. Puranik, and Ms. Amruda V. Nair, Non- Executive Independent Directors and Mr. Dharmil A. Bodani, Executive Director. Mr. Harshvardhan A. Piramal is the Chairman of the Audit Committee.

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members possess adequate knowledge of Accounts, Audit, and Finance etc.

b. Terms of Reference:

The terms of reference of the Committee, inter alia covers the matters specified under Regulation 18 of Listing Regulations as amended from time to time as well as specified in Section 177 of the Companies Act, 2013 read along with rules made thereunder. The Broad terms of reference of Audit Committee inter alia are:

- i. To review the financial statements before submission to the board for approval;
- ii. To review the Internal and Statutory Auditor's report;
- iii. To review the weaknesses in internal controls, if any, reported by Internal and Statutory Auditors etc.
- iv. Recommending the appointment, remuneration and terms of appointment of Statutory Auditors including Cost Auditors of the Company;
- v. Scrutiny of inter-corporate loans and investments, etc.;
- vi. To approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

In addition the powers and role of the Audit Committee are as laid down under Regulation 18 and Schedule II Part C of the Listing Regulations and Section 177 of the Companies Act, 2013.

c. Meeting Details:

During the year under review the Committee met four times i.e. on 29th June, 2020, 10th August, 2020, 20th October, 2020, and 20th January, 2021. Necessary quorum was present at the meetings. The details of the attendance of Committee Members at the aforesaid meetings are as follows:

Name of Director	Category	No of Audit Committee Meetings Attended out of 4 held
Mr. Harshvardhan A. Piramal	Non-Executive Independent Director	3
Mr. Prakash V. Mehta	Non-Executive Independent Director	4
Mr. Ranjit A. Puranik	Non-Executive Independent Director	4
Ms. Amruda V. Nair	Non-Executive Independent Director	4
Mr. Dharmil A. Bodani	Executive Director	4

The Audit Committee invites such of the executives as it considers appropriate (particularly head of finance) to be present at its meetings. The statutory auditors are also invited to the meetings. The Company Secretary acts as a Secretary to the Committee.

3.2 NOMINATION & REMUNERATION COMMITTEE:

a. Composition of the Committee:

The Nomination and Remuneration Committee comprises of Mr. Harshvardhan A. Piramal, Mr. Prakash V. Mehta and Mr. Ranjit A. Puranik, Non –Executive Independent Directors. Mr. Harshvardhan A. Piramal is the Chairman of Committee.

The Committee's composition meets with requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

b. Terms of Reference:

The Broad terms of reference of the Committee inter alia, include the following:

- i. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board, policy relating to the remuneration of the Directors, key managerial personnel and other employees;
- ii. To formulate the criteria for evaluation of performance of Independent Directors and the Board;
- iii. To devise a policy on Board diversity;
- iv. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- v. To recommend to the Board all remuneration payable to the senior management.

In addition the powers and role of the Nomination and Remuneration Committee are as laid down under Regulation 19 and Schedule II Part D of the Listing Regulations and Section 178 of the Companies Act, 2013.

c. Meeting Details:

During the year, under review the Committee met three times i.e on 29th June, 2020, 10th August, 2020, and 25th March, 2021. Necessary quorum was present at the meetings. The details of the attendance of Committee Members at the aforesaid meetings are as follows:

Name of Director	Category	No of Committee Meetings Attended out of 3 held
Mr. Harshvardhan A. Piramal	Non-Executive Independent Director	3
Mr. Prakash V. Mehta	Non-Executive Independent Director	3
Mr. Ranjit A. Puranik	Non-Executive Independent Director	3

d. Details of Remuneration paid to all Directors:

Remuneration payable to all the Directors is considered and is recommended by the Nomination and Remuneration Committee and is approved by the Board within the ceiling fixed by the members. The Nomination and remuneration policy of the Company as approved by the Board of Directors of the Company is uploaded on website of the Company i.e. www.orientalaromatics.com. Non- executive Directors are paid sitting fees for attending each of the meetings of the Board and its Committee(s) as per the provisions of the Companies Act, 2013 and the rules framed thereunder.

The details of remuneration paid to the Directors during the Financial Year 2020-21 was as under:

i. Payment to Executive Directors

Payment of remuneration to the Executive Director is governed by the terms of appointment approved by the Board of Directors and the Members in terms of Sec 197, 198 and Schedule V to the Companies Act, 2013. Details of remuneration and perquisites paid to the Managing Director and Executive Directors for FY 2020-21 and their tenure are as follows:

(₹ in Lakh)

Name	Position	Salary	Perquisites/ allowances and other contributions	Total	Tenure
Mr. Dharmil A. Bodani	Chairman & Managing Director	172.50	33.75	206.26	5 years (till 21.08.2023)
Mr. Shyamal A. Bodani	Executive Director	109.08	-	109.08	5 years (till 21.08.2023)
#Mr. Animesh Dhar	Executive Director- Operations	33.84	-	33.84	Terminated on 21.07.2020 due to Resignation)
Mr. Satish Kumar Ray	Executive Director- Operations	21.04	-	21.04	5 years (till 15.08.2022)
##Mr. Bhadreshkumar A. Pandya	Executive Director- Operations	17.06	-	17.06	5years (till 09.08.2025)

Note:

#Mr. Animesh Dhar ceased to be a director w.e.f. 21st July, 2020. His salary includes Gratuity payment and Leave encashment. He was paid salary only for part of the year.

##Mr. Bhadreshkumar A. Pandya was paid remuneration with effect from 10th August, 2020. The remuneration structure comprises of salary, perquisites, allowances and contribution to provident fund, and commission, if any and excludes gratuity.

ii. **Payment to Non- Executive Directors**

Non-Executive Directors are not paid remuneration in any form whether by way of commission or otherwise. They are paid only sitting fees for each meeting attended by them. The fees paid to Non-Executive Directors for the year ended 31st March, 2021 is as under:

Name of Directors	Sitting Fees (₹ in Lakh)
Mr. Harshvardhan A. Piramal	5.20
Mr. Prakash V. Mehta	5.80
Mr. Ranjit A. Puranik	5.50
Ms. Amruda Nair	5.80
TOTAL	22.30

e. **Performance Evaluation**

In terms of the provisions of the Companies Act, 2013 and Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board functioning like composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board in its meeting held on 20th January, 2021 pursuant to the provisions of the Companies Act, 2013 and Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

Accordingly, the performance evaluation of board and committees was evaluated by the Board after seeking all inputs from all the directors on the basis of criteria such as composition, structure, effectiveness and functioning of the Board and its respective Committees.

The evaluation of every Director's performance was carried out by the entire Board excluding the director being evaluated in the Board Meeting held on 20th January, 2021.

In the separate meeting of Independent Directors held on 24th February, 2021, performance evaluation of the Chairperson and the Non Independent Directors and Board as a whole was carried out taking into account views of executive and non- executive directors.

3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE:**a. Composition of the Committee:**

The Stakeholders Relationship Committee comprises of Mr. Harshvardhan A. Piramal, Mr. Ranjit A. Puranik, Non –Executive Independent Directors and Mr. Dharmil A. Bodani- Executive Director. Mr. Harshvardhan A. Piramal is the Chairman of Committee.

The Committee's composition meets with requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

b. Terms of Reference:

The Stakeholders Relationship Committee reviews and ensures the existence of a proper system for timely resolution of grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipts of declared dividends.

The terms of reference of the Committee have been aligned to Section 178 of Companies Act, 2013 and Regulation 20 and Schedule II Part D of the Listing Regulations.

c. Meeting Details:

During the year under review, the Committee met two times on 29th June, 2020, and 20th October, 2020. Necessary quorum was present at the meetings. The details of the attendance of committee members at the aforesaid meetings are as follows:

Name of Director	Category	No of Committee Meetings attended out of 2
Mr. Harshvardhan A. Piramal	Non-Executive Independent Director	2
Mr. Ranjit A. Puranik	Non-Executive Independent Director	2
Mr. Dharmil A. Bodani	Executive Director	2

d. Name and Designation of the Compliance Officer:

Ms. Kiranpreet Gill, Company Secretary is the Compliance Officer of the Company as required under Regulation 6 of the Listing Regulations.

e. Investor Grievance Redressal:

The Company had no investor complaint pending at the beginning of the year and had received 9 complaints during the year. All the 9 complaints were resolved during the year and no complaints remained unresolved at the end of the year.

Number of Investor Complaints unresolved at the beginning of the year	0
Number of Investor Complaints received during the year	9
Number of Investor Complaints resolved during the year	9
Number of pending Investor Complaints	0

The investors can register their complaints electronically by sending an email at the e-mail id cs@orientalaromatics.com.

3.4 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**a. Composition of the Committee:**

The Corporate Social Responsibility Committee comprises of Mr. Harshvardhan A. Piramal, Ms. Amruda V. Nair, Non –Executive Independent Directors and Mr. Shyamal A. Bodani- Executive Director who is also the Chairman of the Committee.

The composition of the Committee is in compliance with Section 135 of the Companies Act, 2013.

b. Terms of Reference:

The Corporate Social Responsibility formulates and recommends to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

The Committee also recommends the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.

The terms of reference of the Corporate Social Responsibility Committee are in alignment with Section 135 of the Companies Act, 2013, and include implementation and monitoring of CSR activities.

c. Meeting Details:

During the year under review, the Committee met three times on 29th June, 2020, 10th August, 2020 and 20th January, 2021. Necessary quorum was present at the meeting. The details of the attendance of Committee Members at the aforesaid meetings are as follows:

Name of Director	Category	No of Committee Meetings Attended out of 3 held
Mr. Harshvardhan A. Piramal	Non-Executive Independent Director	2
Ms. Amruda V. Nair	Non-Executive Independent Director	3
Mr. Shyamal A. Bodani	Executive Director	3

4. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

AGM (Year)	Day, Date & Time	Venue	Particulars of Special Resolutions passed thereto
46 th AGM (2018)	Monday, 24 th September, 2018 At 11:00A.M.	At M.C. Ghia Hall, Bhogilal Hargovindas Building, 4 th Floor, 18/20, K Dubash Marg, Kala Ghoda, Fort, Mumbai- 400001	1. Re-appointment of Ms. Amruda V. Nair as an Independent Director 2. Confirmation of appointment of Mr. Prakash Mehta as an Independent Director
47 th AGM (2019)	Wednesday, 25 th September, 2019 At 11:00 A.M	At M.C. Ghia Hall, Bhogilal Hargovindas Building, 4 th Floor, 18/20, K Dubash Marg, Kala Ghoda, Fort, Mumbai- 400001	1. Re-appointment of Mr. Harshvardhan A. Piramal as an Independent Director 2. Re-appointment of Mr. Prakash V. Mehta as an Independent Director 3. Re-appointment of Mr. Ranjit A. Puranik as an Independent Director 4. Creation of charge on the assets / undertaking of the Company.
48 th AGM (2020)	Tuesday, 15 th September, 2020 At 11:00 A.M	Held via Video Conferencing; Deemed Venue: 133, Jehangir Building, 2 nd Floor, M.G. Road, Fort, Mumbai-400001.	No Special Resolution was passed in this Meeting.

POSTAL BALLOT:

No ordinary or special resolution was passed through postal ballot.

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

No postal ballot was conducted during the FY 2020- 2021.

Details of special resolution proposed to be conducted through postal ballot:

At present, there is no proposal to pass any special resolution through postal ballot.

Details of the Ordinary and Special Resolutions proposed to be passed during the ensuing Annual General Meeting of the Company are set out in the Notice of the meeting.

5. MEANS OF COMMUNICATION:

- a. **Quarterly/Annual Results:** The Quarterly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.
- b. **News Releases:** The Quarterly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, in Financial Express (English edition) & Loksatta (Marathi edition) in Mumbai.
- c. **Website:** The Company's website www.orientalaromatics.com contains a separate dedicated section "Investor Relations" where latest Shareholders information is available. The Quarterly/ Annual Results and official news releases are posted on the website in compliance with regulation 46 of Listing Regulations.
- d. The Company electronically files data such as Shareholding Pattern, Corporate Governance Report, Quarterly and Audited Annual Financial results, Corporate Announcements etc. on the BSE online portal, viz www.listing.bseindia.com and NSE online portal, viz. <https://neaps.nseindia.com/NEWLISTINGCORP/> within the time frame prescribed in this regard.
- e. **Annual Report:** The Annual Report containing, interalia, Audited Financial Statements, Directors' Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management's Discussion and Analysis (MDA) Report and Business Responsibility Report forms part of the Annual Report. The Annual Report is also available on the Company's website www.orientalaromatics.com
- f. Company has made investor presentations to institutional investors/analysts during the year.

6. GENERAL SHAREHOLDER INFORMATION:

a.	49th Annual General Meeting	:	Day, Date, Time and Venue Tuesday 27 th July, 2021 at 11.00 a.m The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated April 8, 2020, April 13, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
b.	Tentative Financial Calendar Financial Year Approval of Quarterly results for the quarter ending: June, 2021 September, 2021 December, 2021 March, 2022	:	1st April, 2021 – 31st March, 2022 : 3rd /4th Week of July, 2021 : 3rd /4th Week of October, 2021 1st /2nd Week of January, 2022 : 1st /2nd Week of May, 2022 (Note: The above dates are indicative.)
c.	Date of Book closure / Record date	:	20 th July, 2021 to 27 th July, 2021 (both days inclusive.)
d.	Dividend payment date	:	Final Dividend for the FY 2020-21 has not been recommended.
e.	Listed on	:	BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. National Stock Exchange of India Ltd (NSE), Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 The Company has duly paid the Annual Listing Fees to the respective Stock Exchanges for the year 2021-2022.
f.	Stock/Scrip Code/Symbol on BSE/NSE	:	BSE: Scrip Code: 500078 NSE: SYMBOL: OAL
g.	ISIN	:	INE959C01023
h.	Company Registration No. with ROC/ Ministry of Corporate Affairs (MCA)	:	L17299MH1972PLC285731

i	Registrar and Transfer Agents	: For Physical & Demat Link Intime India Pvt. Ltd. Corporate Office: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 Tel: 022-49186270 Fax: 022-49186060 Website: www.linkintime.co.in Email : rnt.helpdesk@linkintime.co.in															
j	Dematerialization of shares	: Out of 3,36,53,576 shares, 3,25,24,660 Shares equivalent to 96.64 % of the paid up capital of the Company have been dematerialised till 31 st March, 2021.The details are as under: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #ff0000; color: white;"> <th></th> <th style="text-align: center;">No of shares</th> <th style="text-align: center;">% of Share Capital</th> </tr> </thead> <tbody> <tr> <td>CDSL</td> <td style="text-align: center;">3322287</td> <td style="text-align: center;">9.87%</td> </tr> <tr> <td>NSDL</td> <td style="text-align: center;">29202373</td> <td style="text-align: center;">86.77%</td> </tr> <tr> <td>Physical</td> <td style="text-align: center;">1128916</td> <td style="text-align: center;">3.35%</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">3,36,53,576</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>		No of shares	% of Share Capital	CDSL	3322287	9.87%	NSDL	29202373	86.77%	Physical	1128916	3.35%	Total	3,36,53,576	100%
	No of shares	% of Share Capital															
CDSL	3322287	9.87%															
NSDL	29202373	86.77%															
Physical	1128916	3.35%															
Total	3,36,53,576	100%															
k	Outstanding ADRs/ GDRs	: The Company has not issued any ADRs/GDRs															
l	Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	: During the year 2020-2021, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 40 to the Annual Accounts.															
m	Plant Location	: i. Plot No. M-5, MIDC, Additional Ambernath Ind Area, Village - Jambhivli, Ambernath (E), Dist.- Thane 421 506, India. ii. P.O. Clutterbuckganj, Bareilly (U.P.) 243502, India. iii. Plot No. 3, GIDC Ind. Estate, Nandesari, Vadodara (Gujarat) 391340, India.															
n	Address for correspondence	: Registered Office: 133, Jehangir Building, 2 nd Floor, Mahatma Gandhi Road, Fort, Mumbai- 400 001.															
o	Compliance Officer	: Ms. Kiranpreet Gill, Company Secretary & Compliance Officer Tel: +91 22 43214000/4064 Email: cs@orientalaromatics.com															

p. Stock Price Data:

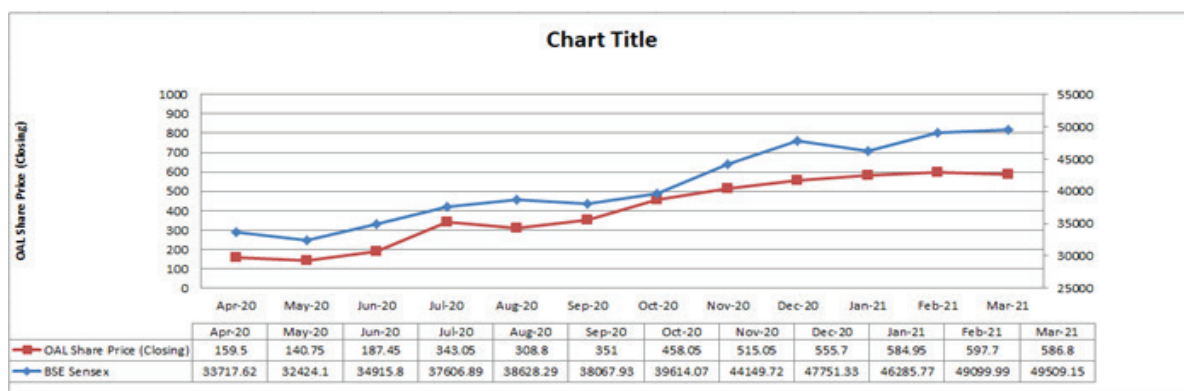
High, low Market Price on BSE and NSE during each month in the last financial year in comparison with BSE Sensex and Nifty respectively is as follows:

High/Low during the financial year 2020-21

Month	OAL Share Price (₹) on BSE			BSE Sensex (Closing)	OAL Share Price (₹) on NSE			Nifty (Closing)
	High	Low	Close		High	Low	Close	
Apr 20	184.8	130.1	159.5	33717.62	175	127.45	161.50	9859.9
May 20	160.25	133.7	140.75	32424.1	162.90	132.90	140.30	9580.3
Jun 20	202.5	142.8	187.45	34915.8	202.65	142.10	188.60	10302.1
Jul 20	369.9	188.6	343.05	37606.89	370.80	186	343.20	11073.45
Aug 20	368	300	308.8	38628.29	363.00	294.00	306.55	11387.5
Sep 20	424.35	290	351	38067.93	423.70	288.00	351.00	11247.55
Oct 20	525	340.3	458.05	39614.07	526.90	340.00	456.95	11642.4
Nov 20	525.25	443.2	515.05	44149.72	525.00	422.15	516.85	12968.95
Dec 20	640	470	555.7	47751.33	617.95	471.00	556.50	13981.75
Jan 21	680	532.8	584.95	46285.77	680.00	533.00	583.40	13634.6
Feb 21	688	576.35	597.7	49099.99	678.00	576.85	595.70	14529.15
Mar 21	630.35	545	586.8	49509.15	644.00	545.05	586.50	14690.7

q. Performance in Comparison:

The performance of the Company's shares relative to the BSE Sensitive Index is given in the chart below:

**r. Shareholding Pattern as at 31st March 2021.**

Shareholding Pattern as on quarter ended 31st March, 2021.

Category	No of Equity Shares held	Percentage of Shareholding
A. Promoters Holding		
1. Promoters		
a. Indian Promoters	24960000	74.167
b. Foreign Promoters	0	0
2. Persons acting in concert	0	0
Sub- Total	24960000	74.167
B. Non- Promoters Holding		
1. Institutional Investors		
a. Mutual Funds and UTI	0	0
b. Alternate Investment Funds	31139	0.093
c. Banks, Financial Inst, Insurance Company, NBFC's registered with RBI (Central/State Govt. Inst./Non-Govt. Inst.)	628	0.002
d. FIs Holding	0	0
Sub- Total	31767	0.095
2. Others Holding		
a. Bodies Corporate	276001	0.820
b. Indian Public	6979623	20.740
c. HUF	426109	1.266
d. NRIs/OCBs/Foreign Nationals	165106	0.490
e. Clearing member	32064	0.095
f. Trusts & Charitable Institutions	161322	0.479
g. IEPF	621584	1.847
Sub- Total	8661809	25.738
GRAND TOTAL (A+B)	33653576	100.00

s. **Distribution Schedule on Scrip Value as on 31st March, 2021:**

Shares of Nominal Value	No. of Holders	% of Holders	Total Amount	% of Amount
Upto 5000	18722	93.615	13826645	8.217
5001 to 10000	732	3.660	5317690	3.160
10001 to 20000	293	1.465	4239135	2.519
20001 to 30000	89	0.445	2254625	1.340
30001 to 40000	48	0.240	1723875	1.024
40001 to 50000	21	0.105	947900	0.563
50001 to 100000	54	0.270	3846670	2.286
100001 to above	40	0.200	13611340	80.890
TOTAL	19999	100.000	168267880	100.000

t. **Share Transfer System:**

Equity Shares sent for transmission/name deletion etc. except transfer in physical form are normally registered by our Registrar and Share Transfer Agent within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks. The Board has delegated the authority for approving transmissions, name deletion etc. of the Company's securities to the Share Transfer Committee. The decisions of Share Transfer Committee are placed at the next Board Meeting.

The Company obtains from CS Shreyans Jain of Shreyans Jain & Co., Practicing Company Secretary, half-yearly Certificate of Compliance with share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the said Certificate with the stock exchange.

Shares held in dematerialized form are electronically traded in the depository and the registrar and share transfer agent periodically receives from the depository the details of beneficiary holdings so as to update the records for sending all corporate communications and other matters.

u. **National Electronic Clearing Service (NECS) Facility:**

The Company, with respect to payment of dividend to shareholders shall endeavour to remit the dividend payment through National Electronic Clearing Service (NECS) to the shareholders having accounts with branches of Banks covered under CBS (Core Banking Solution).

Equity Shareholders holding shares in physical form, who wish to avail the NECS facility, may send their NECS mandate to the Company's R & T Agent, in the event they have not done so earlier. Equity Shareholders holding shares in electronic mode may send the NECS mandate form to the concerned Depository Participant (DP) directly.

v. **Transfer of unclaimed/unpaid dividend to the Investor Education protection Fund (IEPF):**

Under the provisions of Section 124 of the Companies Act 2013, amounts that remain unclaimed for a period of seven (7) years are to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Members can check the details of the unclaimed dividend amount on the website of the Company: www.orientalaromatics.com. The said information is also available on the Ministry of Corporate Affairs website www.mca.gov.in.

The unclaimed amounts that are due for transfer to the IEPF are as follows:

Financial Year	Date of declaration of Dividend	Unclaimed dividend amount as on 31 st March 2021 (Amount in ₹)	Due date of Transfer to IEPF
2013-2014	26 th September 2014	553753	25 th October, 2021
2014-2015	24 th September 2015	430570	23 rd October, 2022
2015-2016	23 rd September 2016	429622	22 nd October, 2023
2016-2017	25 th September 2017	453074	24 th October, 2024
2017-2018	24 th September, 2018	401792	23 rd October, 2025
2018-2019	25 th September, 2019	565182	24 th October, 2026
2019-2020	09 th March, 2020	1408170	08 th April, 2027
2020-2021	18 th November, 2020	1484297	17 th December, 2027

Members who have not claimed their dividend amount may approach Link Intime India Pvt. Ltd. for obtaining payments thereof immediately, before they are due to be transferred to the IEPF Authority.

In terms of the provisions of section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more as provided under sub section (6) of Section 124 were transferred to the Special demat account of IEPF Authority.

Further, upon transfer of shares all the benefits (like bonus etc) if any, accruing on such shares shall also be credited to Demat account of IEPF.

The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure under the IEPF Rules. The Member/ Claimant is required to make an online application to the IEPF Authority in the Form IEPF-5 (available on iepf.gov.in) along with the requisite fees as decided by the IEPF Authority from time to time.

Further, the Company had not declared any dividend for the FY 2012-13, hence no amount of unpaid dividend was due to be transferred to IEPF Account in the FY 2020-21.

w. Details of Credit Rating provided by ICRA for the Bank facilities availed by the Company:

Sr. No.	Instrument	Type	Rating Agency	Credit Ratings and Outlook	Rating Assigned on
1.	Term Loans	Long term	ICRA	[ICRA]A- (Stable)	January, 2021
2.	Fund-based/ Non-Fund based limit	Long term/ Short term	ICRA	[ICRA]A- (Stable)/ [ICRA]A2+	January, 2021

7. OTHER DISCLOSURES:

a. Related Party Transactions (RPT)

There have been no materially significant Related Party Transactions that may have potential conflict with the interests of the Company at large. Transactions with related parties have also been disclosed in the notes of the Financial Statements.

Policy for transactions with related parties have been displayed on the Company's website www.orientalaromatics.com and weblink thereto is <https://www.orientalaromatics.com/documents/corporate-governance/policies/policy-on-related-party-transactions.pdf>

b. Except as mentioned hereunder there were no instances of any material non-compliance nor have any penalties, strictures been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets:

The Audited Annual Financial results for the year ended 31st March 2018 were submitted with 1 day delay. In view of the same the stock exchange (BSE) had levied a penalty of ₹5000/-. The company had duly paid the amount. The delay in submission occurred due to approval of financial results in the adjourned Board meeting held on 31st May 2018. The adjournment was intimated to the stock exchange on 30th May 2018.

c. Determination of Materiality:

Pursuant to Regulation 30 of Listing Regulations the Company has adopted a policy on determination of materiality of any event and/ or information which are required to be disclosed to the Stock Exchanges. The objective of the policy is to ensure timely and adequate disclosure of material events and information as per Regulation 30 of the Listing Regulations. The purpose of the following policy is to institutionalise the process of identification and dissemination of any material information and/or event under clause (i) of sub regulation (4) of Regulation 30 of the Listing Regulations to enable investors to carry out their decision making by considering all important parameters. The said policy has been hosted on the website of the Company at www.orientalaromatics.com and the weblink thereto is <https://www.orientalaromatics.com/documents/corporate-governance/policies/policy-for-determination-of-materiality.pdf>

d. Determination of Material Subsidiary:

Pursuant to the provisions of Regulation 16(1)(c) of the Listing Regulations the Company has adopted a Policy for determining Material Subsidiaries laying down the criteria for identifying material subsidiaries of the Company. Your Company did not have any material subsidiary during the Financial Year 2020-21. The Policy may be accessed on the website of the Company at the link: <https://www.orientalaromatics.com/documents/corporate-governance/policies/POLMatSubsidiary.pdf>

e. Whistleblower policy/Vigil mechanism:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of Listing Regulations. The Company has established vigil mechanism for directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The said mechanism also provides for the safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee. We affirm that no employee of the company has been denied access to the audit committee. The said Vigil Mechanism has been hosted on the website of the Company at www.orientalaromatics.com and the weblink thereto is <https://www.orientalaromatics.com/documents/corporate-governance/policies/vigil-mechanism.pdf>

f. Details of compliance with mandatory and non-mandatory requirements of Listing Regulations:

The Company has complied with in all material respects and adopted the mandatory requirements as laid down under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 46 of the Listing Regulations. Following is the status of the compliance with non-mandatory (Discretionary) requirements;

- **Audit Qualifications;**

During the year under review, there were no Audit qualifications on the Company's financial statements. The Company shall endeavor to continue to have unqualified financial statements.

- **Reporting of Internal Auditor:**

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Internal Auditors of the Company report to the Audit Committee. Quarterly Internal Audit Reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

g. Compliance with Accounting Standards;

In the preparation of financial statements, the company has followed the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with relevant rules thereunder. The Significant Accounting policies which are consistently applied have been set out in the notes to the financial statements.

h. Insider Trading Regulations:

The Company has adopted an insider trading policy to regulate, monitor and report trading by insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015. This Policy also includes practices and procedures for fair disclosure of unpublished price sensitive information, initial and continual disclosure and the same is hosted on the website of the Company i.e. at www.orientalaromatics.com and the weblink thereto is:

<https://www.orientalaromatics.com/documents/corporate-governance/policies/Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf>

Pursuant to the provisions of the SEBI (PIT) Regulations, the Company is also maintaining a Structured digital database.

i. Commodity Price risk and Commodity hedging activities:

The Company has adequate risk assessment and minimization system in place for commodities. The Company does not have material exposure of any commodity and accordingly no hedging activities for the same are carried out.

j. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A): Not Applicable

- k. **A certificate from a Company Secretary in practice that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority.**

The certificate of Company Secretary in practice is attached herewith as part of this report.

- l. **Where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year: Not Applicable**

- m. **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all the entities in the network firm/network entity of which the statutory auditor is a part:**

Details relating to fees paid to the statutory auditors are given in Note No. 33 to the standalone financial statements and Note No. 31 to the consolidated financial statements

- n. **Disclosures in relation to the sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013:**

There were no complaints filed and disposed of during the year and pending as on 31st March, 2021

- o. **CEO/CFO Certification:**

As required by Regulation 17(8) of the SEBI Listing Regulations, the Chief Executive Officer and the Chief Financial Officer have submitted a Certificate to the Board of Directors in the prescribed format for the financial year ended 31st March 2021 confirming the correctness of the financial statements and cash flow statement, and adequacy of the internal control measures and reporting of matters to the Audit Committee.

- p. **The details with respect to demat suspense account/unclaimed suspense account: Not Applicable**

For and on behalf of the Board of Directors

Dharmil A. Bodani
Chairman and Managing Director
DIN: 00618333

Shyamal A. Bodani
Executive Director
DIN: 00617950

Place: Mumbai

Date: 10th May, 2021

Declarations

Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Code of Business Conduct and Ethics for the year ended 31st March, 2021.

For and on behalf of the Board of Directors

Parag Satoskar
Chief Executive officer

Place: Mumbai

Date: 10th May, 2021

Auditors' Certificate on Corporate Governance

To the Members of Oriental Aromatics Ltd

The Corporate Governance Report prepared by **ORIENTAL AROMATICS LTD** ('the Company') for the year ended 31st March 2021 contains details as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Management's Responsibility for compliance with the conditions of Listing Regulations:

The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), Standards on auditing specified under section 143(10) of the Companies Act, 2013 and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on the procedures performed by us and to the best of our information and according to explanations given to us and representation made by the Management, in our opinion, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Bagaria & Co LLP**
Chartered Accountants
Firm registration No. -

Vinay Somani
Partner

Membership No. 143503
UDIN:- 21143503AAAAHZ811Z

Place: Mumbai

Date: 10th May 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of,
Oriental Aromatics Limited
133, Jehangir Building, 2nd Floor Mahatma Gandhi Road,
Fort Mumbai-400001, Maharashtra

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Oriental Aromatics Limited** having CIN: **L17299MH1972PLC285731** (hereinafter referred to as the “**Company**”) produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In Our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Dharmil Anil Bodani	00618333	22/08/2008
2.	Shyamal Anil Bodani	00617950	22/08/2008
3.	Harshvardhan Ashok Piramal	00044972	22/08/2008
4.	Satish Ray Kumar	07904910	16/08/2017
5.	Ranjit Anand Puranik	00199353	30/09/2008
6.	Prakash Vasantlal Mehta	00001366	05/08/2011
7.	Amruda V. Nair	06716791	03/10/2013
8.	Bhadresh Pandya	08809906	10/08/2020

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SHREYANS JAIN & CO.**
Company Secretaries

Place: Mumbai
Date: 03/05/2021

Shreyans Jain
(Proprietor)
FCS No. 8519
C.P. No. 9801
UDIN: F008519C000234107

Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2021, pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company:	L17299MH1972PLC285731
2.	Name of the Company:	Oriental Aromatics Limited (hereinafter referred to as "OAL/ Company")
3.	Registered address:	133, Jehangir Building, 2 nd Floor, Fort, Mumbai-400001
4.	Website:	www.orientalaromatics.com
5.	E-mail id:	cs@orientalaromatics.com
6.	Financial Year reported:	1 st April, 2020 to 31 st March, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Speciality Chemicals; NIC Code- 20118
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	Camphor, Astromusk and Aroma Chemicals/Fragrances
9.	Total number of locations where business activity is undertaken by the Company: Number of National Locations:	Five(5) Registered /Corporate Office: 133, Jehangir Building, 2 nd Floor, M.G. Road, Mumbai-400001 Plant Locations: Ambernath Plot No. M-5, MIDC, Additional Ambernath Ind Area, Village - Jambhivli, Ambernath (E), Dist. - Thane-421506, India Bareilly P.O. Clutterbuckganj, Dist. Bareilly (U.P) 243 502, India Vadodara Plot No 3, GIDC Ind Estate, Nandesari, Vadodara-391 340, Gujarat, India R & D Location: Unit No. 301, 302 & 303, G Wing, Tex Centre, Chandivali Farm Road, Chandivali, Andheri(E), Mumbai-400072, India.
	International Locations:	Subsidiary in Indonesia: PT Oriental Aromatics Satrio Tower, 24 th Floor, JL. Prof Dr. Satrio, Bloack C4, Jakarta selatan 12950, Indonesia.
10.	Markets served by the Company –Local/State/ National/ International:	The Company's products and its services have its presence in National as well as International markets.

SECTION B : FINANCIAL DETAILS OF THE COMPANY

(On standalone basis)

(₹ in lakh)

1.	Paid up Capital (INR):	1,682.68
2.	Total Turnover (INR):	70,883.55
3.	Total profit after taxes (INR):	10,242.65
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	Refer Annexure - B to the Board's Report.
5.	List of activities in which expenditure in 4 above has been incurred:	Refer Annexure - B to the Board's Report.

SECTION C : OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):	The Company has 2 subsidiaries, including 1 subsidiary outside India. There is no direct participation of the subsidiaries in the BR initiatives as presently there are no business operations being undertaken.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:	Currently no entity that the company does business with, participate in the BR initiatives of the company. The Business Responsible Statement is applicable to the management as well as all the stakeholders of the Company. The Company endeavours to encourage all its stakeholders to participate in the BR Initiatives of the Company

SECTION D : BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Details
1.	DIN Number :	00618333
2.	Name :	Mr. Dharmil A. Bodani
3.	Designation :	Chairman & Managing Director

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number	00618333
2.	Name	Mr. Dharmil A. Bodani
3.	Designation	Chairman & Managing Director
4.	Telephone number	022-23414000
5.	E -mail id	cs@orientalaromatics.com

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/policies

Sr No.	Principles
P1	Ethics, Transparency and Accountability
P2	Products and services designed with environmental and social opportunities
P3	Human Capital
P4	Stakeholder Engagement
P5	Human Rights
P6	Energy and Environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Community Development
P9	Customer Satisfaction

Details of compliance (Reply in Y/N):

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy /policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy confirm to any national / international standards? If yes, specify? (50 words)	Yes, the policies are based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The Board has appointed Mr. Dharmil A. Bodani, the Chairman & Managing Director of the Company, Mr. Parag Satoskar, CEO and Mr. Girish Khandelwal, CFO to oversee the implementation of the policy.								
6.	Indicate the link for the policy to be viewed online?	http://www.orientalaromatics.com/documents/corporate-governance/policies/BusinessResponsibilityPolicy1920.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been uploaded on the Company's website and internal portal for communication to all internal and external stakeholders.								
8.	Does the company have in-house structure to implement the policy/policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company's policies and procedures are supported by internal risk controls.								

3. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The Business Responsibility Performance is assessed by the Board of Directors of the Company on an Annual Basis.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), 2015, Business Responsibility Reporting is applicable to top 1000 listed companies with effect from 26th December, 2019. In view of the same, company is publishing its Business Responsibility Report as part of its Annual Report for FY 2020-21. The Business Responsibility Report is hosted on the website of the Company viz. www.orientalaromatics.com.

SECTION E : PRINCIPLE-WISE PERFORMANCE**Principle 1 : ETHICS, TRANSPARENCY AND ACCOUNTABILITY**

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Yes, The Company's Policy on ethics, bribery and corruption covers within its ambit all the employees, including those with the subsidiary companies and also the external stakeholders of the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

No complaints were received in the reporting period with regard to ethics, bribery and corruption.

Principle 2 : PRODUCTS AND SERVICES DESIGNED WITH ENVIRONMENTAL AND SOCIAL OPPORTUNITIES:

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- (a) Astromusk
- (b) Rose Nitrile
- (c) Astromeran

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) :**

Due to complex production process, calculating environmental performance for each plant that produces the aforementioned product poses unique challenges. However, following operational facilities have been provided in each such plant to control resources, environment, and process safety:

- (a) All such plants are Distributed Control System (DCS) controlled to regulate all process parameters. Distribution of products is well planned for domestic as well as overseas customers so that finished good inventory & supply chain is maintained as per customers' demands. To keep the overall overheads in control, Production capacities are operated at designed capacities.
- (b) Major equipment is connected to vent scrubbers to mitigate any fugitive emissions to the environment. Energy consumption has also been reduced by more efficient usage of utilities.
- (c) Effluent from all the plants are treated in Effluent Treatment Plant (ETP) and then processed through reverse osmosis plant to recover 70% of the water which is recycled to process.
- (d) Our waste water management system is designed to recycle waste water and recover maximum amount of water that is reusable. The salts and other elements are disposed off in an environmentally friendly manner. Water consumption has been reduced due to recycling within the process.
- (e) All the molecules that we produce adhere to strict global norms on health and safety and we proactively deploy energy and resource efficient processes to ensure that we are sustainable in our operations.
- (f) Sourcing is done with minimized inventory of raw material and production efficiency of more than 90% of Targeted Production is achieved.
- (g) The plant that produces Rose nitrile additionally has recipe management system to avoid any wrong charging and maintenance of strict Standard Operating Procedure.
- (h) Variable Frequency Drive (VFD) has been provided wherever necessary to control power.
- (i) Flame proof electrical fittings are provided for electrical safety.
- (j) Fire hydrant safety system is in place for plant safety.
- (k) The Company continuously endeavours to reduce Raw Material consumption through the efforts of Research & Development.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the company has long withstanding procedures wherein all the inputs are procured sustainably to ensure the uninterrupted supplies of inputs and to maintain the continuity in services. The steps are taken amicably within the local area to share the technical inputs with the local suppliers which in turn help in improving their capabilities and skills.

Sourcing from local vicinity benefits the company in a cost effective manner and helps in maintaining the supply chain. Similar approach is followed for procurement of equipment's and other services.

Advance planning of all the raw materials based on the forecast of forthcoming quarter is done with proper lead times by the production team. This helps in ensuring uninterrupted production and also enables the Purchase Team to carry out buying at optimum prices.

The company has long withstanding relationships with the transporters and always ensures to maintain more than one transporter at any point of time to create competition and avoid dependency. Approximately, 70% to 75% of the inputs are sourced sustainably.

The Company has also shifted its Port of Delivery at the nearest port to the manufacturing plant which has benefited in lesser lead time of raw material deliveries and cost savings in transportation.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes, Sourcing of all the Raw material, Plant & Machinery and Equipment's to the possible extent is done locally.

Most of the Manpower for manufacturing and for all the maintenance purpose is appointed from in and around the plant area, to empower and assist in the development of the surrounding areas.

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Company has identified and evaluated a list of local & small suppliers (as per ISO standards) who are supplying required material/service.

In order to encourage the local suppliers, some of the key materials which were 100 % imported earlier are being procured locally and quality is being compared with standard requirements.

The Company does supplier evaluation through self- assessment questionnaires with regards to their capacity, capability and sustainability performance. Further, the company asks the suppliers to send certifications i.e. Halal, Kosher along with the product data sheet & analysis report in order to certify the final product(s) at OAL.

The Company also has a vendor development program. Over the years, the Company has promoted local contractors and service providers. It offers them opportunities to promote their skills through well-established apprentice training practices.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, 10%). Also, provide details thereof, in about 50 words or so.

The company has installed Effluent Treatment Plant (ETP), Reverse Osmosis (RO) plant to recover 70% of the water from ETP effluent which is recycled to process. The company also adheres to Pollution Control Board norms regarding storage and disposal of hazardous waste. The company has started to recycle wash water within the same process, thus saving on almost 5 -10% of fresh water.

All the units of OAL follow the E-Waste Rules that aims at putting in place an environmentally sound e-waste management system. The Units are also associated with entities that provide complete solutions in Waste Testing, Tracking and Management. After ETP treatment, other waste is sent to the Waste Management Services/Solution and is also recorded by the Pollution Control Boards. Similarly, each production unit is a member of the local Waste Management Body located in their vicinity.

Principle 3: HUMAN CAPITAL :

1. Please indicate the Total number of employees. 683
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 424
3. Please indicate the Number of permanent women employees: 87
4. Please indicate the Number of permanent employees with disabilities; 3
5. Do you have an employee association that is recognized by management?: Yes
6. What percentage of your permanent employees is members of this recognized employee association?: 7.67%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
No of people given training/ Total people in that particular segment *100

	Title	Percentage
(a)	Permanent Employees	35.9%
(b)	Permanent Women Employees	6.89%
(c)	Casual/Temporary/Contractual Employees	32.31%
(d)	Employees with Disabilities	66.67%

Principle 4 : STAKEHOLDER ENGAGEMENT

1. Has the company mapped its internal and external stakeholders?

Yes the Company has mapped its key internal and external stakeholders. Further, your Company has also carried out Stakeholder Engagement during the year and based on the combined inputs from the stakeholders and the senior management, the materiality map for OAL has been plotted.

The stakeholders who were engaged included the key customers, suppliers, employees, trade associations, certification agencies, bankers, local community members and senior management of the Company.

As an outcome of the exercise, the following are the most important economic, environmental, and social material issues for OAL:

Economic	Environmental	Social
Technological Advancement	Air Quality	Health and Hygiene
Service Quality	Effluents & wastes	Human Rights Assessments
Critical Incident Risk Management	GHG Emissions	
Economic Performance	Environmental compliance	
Data Security		

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

If so, provide details thereof, in about 50 words or so.

All employees of Oriental Aromatics Limited have been granted equal opportunity with respect to career growth, coaching and mentoring including any employees from economically weaker backgrounds. The Company through its Corporate Social responsibility (CSR) initiatives undertakes the promotion of educational facilities for the students having learning disabilities. During the year, the Company has also contributed towards various Educational Trusts and Chief Minister Distress Relief Fund to combat Covid-19.

Principle 5 : HUMAN RIGHTS

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

The principles stated in our code and policies which include respect for human rights and dignity of all stakeholders, extend to the group, suppliers and all those who work with us.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No material complaint related to violation of human rights was received during the financial year.

Principle 6 : ENERGY AND ENVIRONMENT

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/others.

The policy extends to the Company, its subsidiaries and its stakeholders.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc

Yes, the Company has devised various strategies and takes initiatives on a regular basis to address global environmental issues such as climate change, global warming, etc. by continuously improving processes that use fewer utilities.

The Company has taken initiatives to use renewable energy and is in the process of installing a combined Heat & Power set-up (Co-generation) at its Bareilly plant using biomass and renewable energy resource i.e. rice husk as the fuel replacing non - renewable energy source of coal. Co-generation plant improves the energy efficiency and reduces greenhouse gas emission.

Further, the company also encourages tree plantation in all our facilities to reduce Green House Gas emissions and conservative use of energy.

The company is having Reverse Osmosis (RO) to recycle treated effluent to the process thus conserving water. The company makes continuous endeavour to recycle process washings back in the process thus saving on water consumption.

The company undertakes energy audits as well as electrical audit and aims at reducing the fuel consumption by improving the steam to fuel ratio in our steam generation and to optimize the power consumption ratio to the product respectively.

3. Does the company identify and assess potential environmental risks? Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

While the Company has so far not registered any project related to Clean Development Mechanism, it has policies in place with regards to the Sustainable environment, Energy consumption, local pollution & Biodiversity.

The company has a compliance certification of Environmental Management Systems (EMS) ISO 14001:2015 which helps an organization to achieve the intended outcomes of its environmental management system, enhancement of environmental performance, achievement of environmental objectives and fulfillment of compliance obligations.

Further Zero Liquid Discharge (ZLD) initiative help the Company to minimize its dependency on the Common effluent treatment plant (CETP) and to run the plant Operations in an efficient and uninterrupted manner.

5. **Has the company undertaken any other initiatives on –clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company has taken various steps for conserving energy and has also made efforts towards R&D and Technology Absorption. The same has been referred to in Annexure- D of the Annual Report for FY 2020-21.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The Company is in compliance with the applicable environmental laws and regulations. The Company's emissions, effluents and waste are within Central and State Pollution Control Boards permissible limits.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:**

The Company has not received any show cause/ legal notices from CPCB/SPCB which are pending as on end of Financial Year 2020-21.

Principle 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

- Indian Institute of Packaging (IIP)
- Industrial Entrepreneurs Memorandum (IEM) certificate
- Chemexcil (RCMC) – Membership
- Bombay Chamber of Commerce and Industry –Membership
- Indian Chemical Council (ICC) – Membership
- Comprehensive Economic Partnership Agreement (CEPA)
- Flavours and Fragrance Association of India
- International Federation of Essential Oil and Aroma Trade
- Federation of Indian Export Organization
- Export Inspection Agency

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

There were no activities that the company advocated or lobbied during the year. However, the Company endeavours to further contribute on specific sustainable business issues, safety reforms etc through membership with trade and industry associations.

Principle 8 : COMMUNITY DEVELOPMENT

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. The CSR projects are in accordance with Schedule VII of the Companies Act, 2013 and rules made thereunder. The company encourages community growth and development. Education is a core part of our mission to help solve society's toughest problems.

2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The CSR initiatives have been carried out by the Company either directly or through the implementing agency, Keshavlal V. Bodani Education Foundation. The Foundation undertakes the promotion of educational facilities for the students having learning disabilities. Details of CSR initiatives are available in Corporate Social Responsibility activities for financial year 2020-21 which forms part of Annexure B to the Board's Report in the Annual Report.

3. Have you done any impact assessment of your initiative?

Yes

4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

During the year the Company has spent ₹ 3.78 crore towards community development projects. The details of the project undertaken have been mentioned in the Annexure- B of Board's Report which forms part of the Annual Report for FY 2020-21.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so

Yes. The Keshavlal V. Bodani Education Foundation has founded The Gateway School of Mumbai in the year 2010 and since then has been running the school. The community development initiative has been successfully adopted by the community.

Our initiative helps students develop skills, knowledge, understanding and attitude necessary for them to lead fulfilling and productive lives as independent and successful individuals who actively contribute to the Society.

In the current FY, our Initiative in the Education segment touched lives of 90 students from the Gateway School, Mumbai, and a total of 75 and 57 students from Vadodara and Bareilly respectively.

CSR Initiatives are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, monthly reports and follow-up visits, telephonic and email communications are regularly carried out.

Principle 9 : CUSTOMER SATISFACTION

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

None

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

Yes, the Company displays such product information on its packaging as is mandated by law.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti -competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

A well-established system for consumers to provide their feedback through multiple channels such as email, telephone, website etc is in place. From these feedbacks, the Company evaluates the consumer satisfaction trends.

In addition to the aforesaid the Company also undertook Materiality Survey with all its stakeholders including its key customers. This Survey helped in Stakeholder Engagement and their valuable feedback helped the Company in identifying its area of focus.



Financial Statements - Standalone

Independent Auditor's Report

To The Members of
Oriental Aromatics Limited
Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Oriental Aromatics Limited ("the Company"), which comprises of Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Auditor's response
1.	<p>Goodwill on Amalgamation - Impairment:</p> <p>The Company is required to annually test the amount of goodwill for impairment. This annual impairment test was significant to our audit because the balance of Rs. 4497.92 lakh, relating to a cash generating unit, is material to the financial statements. In addition to that, since the assessment process is judgmental by nature as it is based on assumptions on future market and/or economic conditions.</p> <p>The assumptions used included future cash flow projections, discount rates, perpetuity and sensitivity analyses.</p>	<p>Our audit procedures in relation to management's impairment assessment included:</p> <ul style="list-style-type: none"> - Assessing the valuation methodology and obtained understanding of the process followed by the management for determining the recoverable amount of the cash generating unit for which the goodwill is recognized. - Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results, including discussions with management relating to these. - Tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate - Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management. - We also assessed the disclosures provided by the Company in relation to its annual impairment test in Note no. 49 to the standalone financial statements. <p>These procedures performed, gave us a sufficient evidence to enable us to rely on the accounting for goodwill impairment for the purpose of our audit of the Standalone financial statements.</p>

Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
- (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- (e) On the basis of the written representation received from the directors as on March 31, 2021 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a Directors in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial performance in its standalone financial statements. [Refer Note No.- 37 to standalone financial statements]
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Bagaria & CO LLP
Chartered Accountants
Firm registration No. - 113447W/W-100019

Vinay Somani
Partner
Membership No. 143503
UDIN:-21143503AAAAHX8488

Place: Mumbai
Date : 10th May, 2021

Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Oriental Aromatics Limited of even date:

- i. a. The Company has maintained proper records, showing full including quantitative details and situation of fixed assets.
 - b. As explained to us, the Company has a phased program for physical verification of the fixed assets for all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its fixed assets. Pursuant to the program of the physical verification of fixed assets, physical verification of the assets has been carried out during the year and no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for leasehold land having net block of Rs. 569.57 as at March 31, 2021 (as at March 31, 2020 – Rs. 581.47 lakh) are in the name of the erstwhile entity that got merged with the Company.
- ii. The inventories have been physically verified by the management at reasonable intervals during the year. The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. As per the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, to the extent applicable with respect to the loans and investments made. The Company has not provided any guarantee and security to parties covered under section 185 and 186 of the Act.
- v. No deposits have been accepted by the Company within the meaning of directives issued by RBI (Reserve Bank of India) and Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to rules made by the central government for the maintenance of cost records under sub section 1 of section 148 of the Act in respect of company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, cess, excise duty, service tax, goods and service tax, value added tax, and other material statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess which have been not deposited on account of any dispute except the following:

Name of Statue	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956 and Sales Tax / VAT / Entry Tax- Acts of various states	Sales tax	37.61	2004-05 to 2006-07 and 2015-16 to 2016-17	High Court, Allahabad

Name of Statue	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956 and Sales Tax / VAT / Entry Tax-Acts of various states	Sales tax *	459.65	2004-05 to 2006-07 and 2015-16 to 2016-17	High Court, Allahabad
The Central Excise Act, 1944	Excise Duty and Penalty	12.39	2007-08 to 2011-12	Central Tax & Service Tax Appellate Tribunal, Karnataka

*Department has filed appeal with High Court Allahabad.

- viii. Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to banks and government. The Company did not have any outstanding dues to debenture holders during the year.
- ix. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised. The Company has not raised any money by way of Initial public offer or further public offer (Including debt instrument) during the year or in the recent past.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standard (Refer Note 37 to the standalone financial statements).
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year or in the recent past. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Bagaria & CO. LLP**
Chartered Accountants
Firm registration No. - 113447W/W-100019

Vinay Somani
Partner
Membership No. 143503
UDIN:- 21143503AAAAHX8488

Place: Mumbai
Date : 10th May, 2021

Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of The Oriental Aromatics Limited of even date:

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the Oriental Aromatics Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the best of our information and according to the explanations given to us, the Company has, broadly in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Bagaria & CO. LLP**
Chartered Accountants
Firm registration No. – 113447W/W-100019

Place: Mumbai
Date : 10th May, 2021

Vinay Somani
Partner
Membership No. 143503
UDIN:- 21143503AAAAHX8488

Standalone Balance Sheet

For The Year Ended 31st March, 2021

INR (In Lakh)

Particulars	Note	As on	
		31-Mar-21	31-Mar-20
I ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	2	18,458.59	18,144.25
(b) Capital work - in - progress	2	1,248.74	174.46
(c) Goodwill on Amalgamation	49	4,497.72	4,497.72
(d) Intangible assets	3	23.57	240.15
(e) Right of use - Lease	4	667.83	736.33
(f) Financial Assets :			
i) Investment in subsidiaries	5	960.00	600.00
ii) Other financial assets	7	398.96	373.39
(g) Income Tax Assets (Net)		742.50	318.48
(h) Other non - current assets	8	57.73	63.51
Total Non-Current Assets		27,055.64	25,148.29
2 Current Assets			
(a) Inventories	9	22,758.70	16,234.42
(b) Financial Assets :			
i) Trade receivables	10	18,912.85	15,234.82
ii) Cash and cash equivalents	11	1,513.60	1,304.90
iii) Bank balances other than (ii) above	12	197.43	182.24
(iv) Other current financial assets	13	96.80	75.36
(d) Other current assets	14	4,016.86	2,700.48
Total Current Assets		47,496.24	35,732.22
3 Non-current assets classified as held for sale		8.00	8.00
TOTAL ASSETS		74,559.88	60,888.51
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	15	1,682.68	1,682.68
b) Other Equity	16	54,063.40	44,697.81
Total Equity		55,746.08	46,380.49
2 Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	-	152.95
(ii) Other Financial Liabilities	18	23.61	84.35
(b) Provisions	19	246.15	176.63
(c) Deferred tax liabilities (net)	34	2,666.78	2,605.14
Total Non Current Liabilities		2,936.54	3,019.07
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	7,785.87	4,311.06
(ii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises;		424.67	846.28
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	6,704.97	4,805.26
(iii) Other Financial Liabilities	22	584.76	1,145.60
(b) Other current liabilities	23	240.76	213.61
(c) Provisions	24	136.23	167.14
Total Current Liabilities		15,877.26	11,488.95
Total Liabilities		18,813.80	14,508.02
TOTAL EQUITY AND LIABILITIES		74,559.88	60,888.51
Significant accounting policies and accompanying notes form an integral part of standalone financial statements	1-54		

As per our attached Report of even date.

For Bagaria & Co. LLP

Chartered Accountants

Firm Registration No. - 113447W/W-100019

Vinay Somani

Partner

Date : 10th May, 2021

Place : Mumbai

For and on behalf of the Board of Directors

Dharmil A. Bodani
Managing Director
DIN : 00618333

Shyamal A. Bodani
Executive Director
DIN: 00617950

Parag Satoskar
Chief Executive Officer

Girish Khandelwal
Chief Financial Officer

Kiranpreet Gill
Company Secretary

Standalone Statement of Profit and Loss

For The Year Ended 31st March, 2021

Sr. No.	Particulars	Note	For the year ended	
			2020-2021	2019-2020
I	Income			
	Revenue from operations	25	70,883.55	75,943.01
	Other income	26	175.69	628.23
	Total Income		71,059.24	76,571.24
II	Expenses			
	Cost of materials consumed	27	41,452.12	48,596.98
	Changes in inventories of finished goods and work-in progress	28	(1,991.53)	(902.61)
	Manufacturing and operating costs	29	7,847.31	8,087.27
	Employee benefits expense	30	3,937.50	3,572.90
	Finance costs	31	240.08	1,195.26
	Depreciation and amortization expense	32	1,745.93	1,901.86
	Other expenses	33	4,082.70	3,769.22
	Total expenses		57,314.11	66,220.89
III	Profit before tax		13,745.13	10,350.35
IV	Tax expense			
	Current tax		3,513.23	2,516.19
	Deferred tax charge/(credit)		61.64	(792.80)
	Tax in respect of earlier years, written back		(72.39)	(48.51)
V	Profit for the year		10,242.65	8,675.47
VI	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Actuarial gain/(loss)		(47.55)	(99.08)
	Tax impact charge/(credit) on actuarial gain/(loss)		(11.97)	(24.94)
	Other Comprehensive Income		(35.58)	(74.14)
VII	Total Comprehensive Income for the year		10,207.07	8,601.33
VIII	Earnings per equity share of ₹ 5 each	35		
	Basic and Diluted (in ₹)		30.44	25.78
	Significant accounting policies and accompanying notes form an integral part of standalone financial statements	1-54		

As per our attached Report of even date.

For Bagaria & Co. LLP

Chartered Accountants

Firm Registration No. - 113447W/W-100019

Vinay Somani

Partner

Date : 10th May, 2021

Place : Mumbai

For and on behalf of the Board of Directors

Dharmil A. Bodani
Managing Director
DIN : 00618333

Shyamal A. Bodani
Executive Director
DIN: 00617950

Parag Satoskar
Chief Executive
Officer

Girish Khandelwal
Chief Financial Officer

Kiranpreet Gill
Company Secretary

Standalone Cash Flow Statement

For The Year Ended 31st March, 2021

Sr. No	Particulars	Note No.	For the Year ended	
			31-Mar-21	31-Mar-20
A)	Cash Flow from Operating Activities			
	Net Profit before Tax		13,745.13	10,350.35
	Adjustments for:			
	Depreciation and amortization expense		1,745.93	1,901.86
	Interest and Other Finance Cost		240.08	1,195.26
	Loss / (Profit) on discarding / sale of assets (Net)		73.45	9.97
	Provision for doubtful Debts and Bad debts		96.54	40.76
	Sundry balances write off / Excess Provision Written back		217.73	(74.13)
	Provision for expected loss in respect of subsidiary		-	112.00
	Unrealised Foreign Exchange rate difference		(47.55)	(52.21)
	Operating Profit before Working Capital Changes		16,071.31	13,483.86
	Adjustments for:			
	(Increase)/Decrease in Trade & Other Receivables		(5,381.23)	3,151.55
	(Increase)/Decrease in Inventories		(6,524.29)	4,031.95
	Increase/(Decrease) in Trade Payables & Provisions		1,542.65	317.39
	Cash generated from Operating Activities		5,708.44	20,984.75
	Direct Taxes (Paid) Net of Refund Received		(3,852.90)	(2,528.30)
	Net Cash from Operating Activities (A)		1,855.54	18,456.45
B)	Cash Flow from Investing Activities			
	Purchase of Property, Plant and Equipment		(2,856.14)	(988.40)
	Sale of Property, Plant and Equipment		8.05	24.92
	Investments in Subsidiary		(360.00)	(600.00)
	Net Cash (used in)/from Investing Activities (B)		(3,208.09)	(1,563.48)
C)	Cash Flow from Financing Activities			
	Repayment of long term borrowings	46	(764.71)	(1,352.94)
	Increase/(Decrease) in short term borrowings	46	3,436.99	(12,100.77)
	Dividend Paid (Including Dividend Distribution Tax)		(841.47)	(1,420.00)
	Payment of lease liabilities	43	(64.18)	(54.82)
	Interest and Other Financial Cost		(205.38)	(1,021.45)
	Net Cash (used in)/from Financing Activities (C)		1,561.25	(15,949.98)
	Net increase in cash and cash equivalents (A + B + C)		208.70	942.99
	Cash & cash equivalents at beginning of the year	11	1,304.90	361.91
	Cash & cash equivalents at end of the year	11	1,513.60	1,304.90
	Significant accounting policies and accompanying notes form an integral part of standalone financial statements	1-54		

As per our attached Report of even date.

For Bagaria & Co. LLP

Chartered Accountants

Firm Registration No. - 113447W/W-100019

Vinay Somani

Partner

Date : 10th May, 2021

Place : Mumbai

For and on behalf of the Board of Directors

Dharmil A. Bodani
Managing Director
DIN : 00618333

Shyamal A. Bodani
Executive Director
DIN: 00617950

Parag Satoskar
Chief Executive
Officer

Girish Khandelwal
Chief Financial Officer

Kiranpreet Gill
Company Secretary

Statement of Changes in Equity

For The Year Ended 31st March, 2021

a EQUITY SHARE CAPITAL

As on 31-Mar-19	Change during the year 2019-20	As on 31-Mar-20	Change during the year 2020-21	As on 31-Mar-21
1,682.68	-	1,682.68	-	1,682.68

b OTHER EQUITY

Particulars	NOTE	Capital Reserve on Amalgamation	General Reserve	Retained Earnings	Items of other comprehensive income - Actuarial gains / (loss)	Total
Balance as at 1st April, 2019		266.74	4,275.12	33,060.69	(86.08)	37,516.47
Profit for the year		-	-	8,675.47	-	8,675.47
Other Comprehensive Income for the year		-	-	-	(74.14)	(74.14)
Dividend Paid (including Interim dividend)		-	-	(1,177.88)	-	(1,177.88)
Dividend Distribution tax paid		-	-	(242.12)	-	(242.12)
Balance as at 31st March, 2020		266.74	4,275.12	40,316.17	(160.22)	44,697.81
Profit for the year		-	-	10,242.65	-	10,242.65
Other Comprehensive Income for the year		-	-	-	(35.59)	(35.59)
Interim dividend paid		-	-	(841.47)	-	(841.47)
Balance as at 31st March, 2021		266.74	4,275.12	49,717.35	(195.81)	54,063.40
Significant accounting policies and accompanying notes form an integral part of standalone financial statements	1-54					

As per our attached Report of even date.

For Bagaria & Co. LLP

Chartered Accountants

Firm Registration No. - 113447W/W-100019

Vinay Somani

Partner

For and on behalf of the Board of Directors

Dharmil A. Bodani
Managing Director
DIN : 00618333

Shyamal A. Bodani
Executive Director
DIN: 00617950

Parag Satoskar
Chief Executive Officer

Girish Khandelwal
Chief Financial Officer

Date : 10th May, 2021

Place : Mumbai

Kiranpreet Gill
Company Secretary

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :

I. Background and Operations

Oriental Aromatics Limited is a Public limited Company and based at Mumbai, Maharashtra, India. It is incorporated under Companies Act, 1956 and its shares are listed on BSE Limited and National Stock Exchange Limited. The Company is having 3 manufacturing facilities at Ambernath - Maharashtra, Bareilly - Uttarpradesh, Vadodara - Gujarat and they are engaged in the manufacturing and sale of Fine chemicals i.e. camphor, perfumery & specialty aroma chemicals, fragrances and flavour in India.

II. Significant accounting policies

(a) Basis of preparation of Financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with of the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that is measured at fair value;
- 2) assets held for sale - measured at fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Companies Act, 2013.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised. Any revision to accounting estimates is recognised prospectively in current and future periods.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and judgments that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- i. Provisions and contingent liabilities - refer note (k)
- ii. Measurement of defined benefit obligations - refer note (m)
- iii. Impairment of goodwill on amalgamation - refer note (w)

(c) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Capital Work-in-progress

Property, Plant and Equipment which are not ready for intended use on the date of balance sheet are disclosed as capital work-in-progress. It is carried at cost, less any recognised impairment loss. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for intended use.

Expenditure incurred during developmental and preliminary stages of the Company's new projects, are carried forward. However, if any project is abandoned, the expenditure relevant to such project is written off through the natural heads of expenses in the year in which it is so abandoned.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets. Leasehold land is amortised over of period lease. Leasehold improvements are amortised over the period of lease or estimated useful lives which ever is lower.

Depreciation is provided on the straight-line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013. The range of estimated useful lives of Property, Plant & Equipment's are as under:

Category	Useful Life
Buildings (including roads)	5 - 60 Years
Plant & Equipment	5 - 25 Years
Furniture & Fixture	10 Years
Office Equipment	2 - 5 Years
Vehicles	8 - 10 Years
Computer	2 - 6 Years

The management believes that the useful life as given above the best represent the period over which the management expects to use these assets. The Company reviews the useful lives and residual value at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Intangible assets

Intangible assets are stated at cost, less accumulated amortisation and impairments, if any.

Amortisation method

The group amortizes Intangible assets with a useful life using the straight-line method over the period of 3 to 5 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Lease**As a lessee**

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(g) Contract balances:

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required to before payment of the consideration is due). Trade receivables are recognised at the value of sales less allowance for bad and doubtful debts and expected credit loss.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the Company performs under the contract.

(h) Inventories

Inventories include Raw Material, Work-in-Progress, finished goods, Stores & spares, Consumables and Packing Materials are valued at lower of cost and net realisable value. Materials in transit is valued at cost incurred till date.

Raw Materials – Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using First in first out (FIFO) basis.

Finished/Semi-Finished Goods – cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted moving average cost basis.

Stores, Spare Parts, Consumables, Packing Materials etc. – cost is determined on FIFO basis.

(i) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

* those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value . Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing Branch and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forwardlooking estimates are analysed. For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition.

The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. Impairment loss allowance including ECL or reversal recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The impairment loss is presented as an allowance in the balance sheet as a reduction from the net carrying amount of the trade- receivable, loan, deposits and lease receivable respectively.

(iv) De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derivative financial instruments

Derivative financial instruments such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

Borrowings

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(j) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

(k) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

(l) Revenue from Contracts with Customers

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated.

Sale of goods -

Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. In case of export sale, it is usually recognised based on the shipped-on board date as per bill of lading. Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc.

Other operating revenue - Export incentives -

Export Incentives under the, "Duty Draw back Scheme", etc. is accounted in the year of export.

Other Income

Dividend income on investments is recognised when the right to receive dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

(m) Employee benefits

Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred.

Defined Benefit Plans - The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income

Re-measurement comprising of actuarial gains and losses arising from:

- (a) Re-measurement of Actuarial(gains)/losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Other Long term Employee Benefits are recognised in the same manner as Defined Benefit Plans.

Termination benefits are recognised as and when incurred. However, the termination benefits which fall due more than twelve months after the Balance Sheet date are discounted using the yield on Government Bonds.

(n) Foreign currency transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(o) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

(p) Earnings Per Share**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(q) Research and Development

Revenue expenditure, including overheads on Research and Development, is charged out as an expense through the natural heads of account in the year in which incurred. Expenditure which results in the creation of capital assets is taken as Fixed Assets and depreciation is provided on such assets as are depreciable.

(r) Cash Flow Statement

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

(s) Exceptional Items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

(t) Dividend

The Company recognizes a liability to pay dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company i.e. when the dividend distribution is being approved by the shareholders. A corresponding amount is recognized directly in equity.

(u) Segment Report

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker(CODM).

The Company has identified its Managing Director as CODM who is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions.

(v) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

(w) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(x) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

2

Property, Plant and Equipment

Particulars	Freehold Land	Lease Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
Gross Carrying Amount / Deemed Cost										
As at 31st March 2020	4.74	-	6,162.75	14,528.36	371.49	963.27	761.70	94.43	22,886.74	174.46
Additions	-	-	90.76	1,665.92	20.62	11.17	25.35	40.71	1,854.53	2,539.13
Disposals/Adjustment	-	-	-	93.11	11.73	0.82	16.54	23.21	145.40	1,464.85
As at 31st March 2021	4.74	-	6,253.51	16,101.17	380.38	973.62	770.51	111.93	24,595.87	1,248.74
Accumulated Depreciation:										
As at 31st March 2020	-	-	944.26	2,795.65	253.46	516.91	167.54	64.66	4,742.48	-
Depreciation charge for the year	-	-	259.07	953.71	36.80	89.48	90.40	29.29	1,458.75	-
Disposals/Adjustment	-	-	-	21.68	10.30	0.66	13.33	17.98	63.95	-
As at 31st March 2021	-	-	1,203.33	3,727.68	279.96	605.73	244.61	75.97	6,137.28	-
Net Carrying Amount:										
As at 31st March 2020	4.74	-	5,218.49	11,732.71	118.03	446.36	594.16	29.77	18,144.26	174.46
As at 31st March 2021	4.74	-	5,050.18	12,373.49	100.42	367.89	525.90	35.96	18,458.59	1,248.74
Particulars	Freehold Land	Lease Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
Gross Carrying Amount / Deemed Cost										
As at 31st March 2019	4.74	631.83	6,109.87	14,041.50	350.54	958.41	609.40	62.03	22,768.33	80.31
Additions	-	-	70.86	574.00	26.96	6.88	212.63	33.99	925.32	355.33
Disposals	-	-	17.99	87.14	6.02	2.02	60.33	1.59	175.08	261.18
Reclassified on account of adoption of Ind As 116 - Refer Note No. 4	-	631.83	-	-	-	-	-	-	631.83	-
As at 31st March 2020	4.74	-	6,162.75	14,528.36	371.49	963.27	761.70	94.43	22,886.74	174.46
Accumulated Depreciation:										
As at 31st March 2019	-	18.78	691.09	1,887.74	220.12	389.95	115.25	39.68	3,362.61	-
Depreciation charge for the year	-	-	255.03	971.31	38.60	128.86	86.35	26.42	1,506.57	-
Disposals	-	-	1.86	63.40	5.26	1.89	34.06	1.44	107.92	-
Reclassified on account of adoption of Ind As 116 - Refer Note No. 4	-	18.78	-	-	-	-	-	-	18.78	-
As at 31st March 2020	-	-	944.26	2,795.65	253.46	516.91	167.54	64.66	4,742.48	-
Net Carrying Amount:										
As at 31st March 2019	4.74	613.05	5,418.78	12,153.77	130.42	568.46	494.16	22.35	19,405.71	80.31
As at 31st March 2020	4.74	-	5,218.49	11,732.71	118.03	446.36	594.16	29.77	18,144.26	174.46

Notes:

A. For information on property, plant and equipment offered as security by the Company, refer to note number - 36
 B. For information on Capital Commitment, refer to note number - 38

C. Breakup of Capital work in progress comprises of assets under construction which are as under :-

Particulars	As on	
	31-Mar-21	31-Mar-20
Plant & Equipment	378.08	45.54
Buildings	545.83	19.62
Directly attributable cost relating to project:		
Salary Expenses	84.56	22.17
Professional Fees	236.48	85.87
Other Expenses	3.79	1.26
Total	1,248.74	174.46

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

3 Intangible assets

Particulars	Technical Knowhow	Computer Software	Total
Gross Carrying Amount / Deemed Cost			
As at 31st March 2020	1,464.61	103.06	1,567.67
Additions		2.11	2.11
Disposals			-
As at 31st March 2021	1,464.61	105.17	1,569.78
Accumulated Amortisation			
As at 31st March 2020	1,271.33	56.19	1,327.52
Amortisation charge for the year	193.15	25.54	218.69
As at 31st March 2021	1,464.48	81.73	1,546.21
Net Carrying Amount			
As at 31st March 2020	193.28	46.87	240.15
As at 31st March 2021	0.13	23.44	23.57

Particulars	Technical Knowhow	Computer Software	Total
Gross Carrying Amount / Deemed Cost			
As at 31st March 2019	1,464.50	101.96	1,566.46
Additions	0.11	1.10	1.21
Disposals			
As at 31st March 2020	1,464.61	103.06	1,567.67
Accumulated Amortisation			
As at 31st March 2019	953.98	35.23	989.21
Amortisation charge for the year	317.35	20.96	338.31
As at 31st March 2020	1,271.33	56.19	1,327.52
Net Carrying Amount			
As at 31st March 2019	510.52	66.73	577.25
As at 31st March 2020	193.28	46.87	240.15

4 Right of use - Lease

Particulars	Lease-Land	Lease- Buildings	Total
Gross Carrying Amount / Deemed Cost			
As at 31st March 2020	631.83	180.26	812.09
Additions	-	-	-
As at 31st March 2021	631.83	180.26	812.09
Accumulated Amortisation			
As at 31st March 2020	26.83	48.93	75.76
Amortisation charge for the year	13.04	55.46	68.50
As at 31st March 2021	39.87	104.39	144.26
Net Carrying Amount			
As at 31st March 2020	605.00	131.33	736.33
As at 31st March 2021	591.96	75.87	667.83

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

Particulars	Lease-Land	Lease- Buildings	Total
Gross Carrying Amount / Deemed Cost			
As at 31st March 2019	-	-	-
Additions	-	180.26	180.26
Transfer due to Ind AS116 transition	631.83	-	631.83
As at 31st March 2020	631.83	180.26	812.09
Accumulated Amortisation			
As at 31st March 2019	-	-	-
Amortisation charge for the year	8.05	48.93	56.98
Transfer due to Ind AS116 transition	18.78	-	18.78
As at 31st March 2020	26.83	48.93	75.76
Net Carrying Amount			
As at 31st March 2019	-	-	-
As at 31st March 2020	605.00	131.33	736.33

Notes:

- A. Lease hold Land - lease period ranging from 30 to 99 years.
- B. The title deed of leasehold land having net book value of ₹ 569.57 (March 31, 2020 : ₹ 581.47) is in the name of the entity that got merged with the Company. Necessary steps have been taken to transfer the same in the name of Company.
- C. Refer Note No. 43 for Leases.

5 Investment in Subsidiaries

Particulars	As on	
	31-Mar-21	31-Mar-20
Investment in Equity share of Subsidiaries		
Unquoted (Carried at cost less impairment allowance)		
Oriental Aromatics & Sons Limited - Wholly owned Subsidiary (Incorporated on 27th December, 2019) <i>9,600,000 (P.Y. 6,000,000) shares at ₹ 10 each fully paid up</i>	960.00	600.00
PT Oriental Aromatics (Includes ₹ 782.21 on account of Conversion of Loan into series B of share Capital) <i>(13,52,500 shares (P.Y. 13,52,500 shares) of US\$ 1 each fully paid up.)</i>	934.09	934.09
Less: Aggregate amount of diminution on value of investment	(934.09)	(934.09)
Total	960.00	600.00

6 Loans to Subsidiary

Particulars	As on	
	31-Mar-21	31-Mar-20
(Unsecured, Considered good unless otherwise stated)		
Loan to Subsidiary - credit impaired	-	782.21
Less : Converted into Equity - Refer Note 5	-	(782.21)
Total	-	-

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

7 Non Current - Other Financial Assets

Particulars	As on	
	31-Mar-21	31-Mar-20
(Unsecured, Considered good unless otherwise stated)		
Security Deposits	173.01	154.27
Bank Deposits with maturity more than 12 months (Offered as Security against Bank Guarantee given)	180.60	171.05
Recoverable in respect of acquired business	45.35	48.07
Recoverable in respect of acquired business - Impaired	-	13.94
Less: Allowance for bad and doubtful recoverable	-	(13.94)
Total	398.96	373.39

8 Other non - current assets

Particulars	As on	
	31-Mar-21	31-Mar-20
(Unsecured, Considered good unless otherwise stated)		
Capital advances	57.73	63.51
Total	57.73	63.51

9 Inventories

Particulars	As on	
	31-Mar-21	31-Mar-20
Raw Materials	9,574.58	6,145.75
Raw Materials - in Transit	2,112.58	1,157.19
Work-in-progress	4,731.91	4,705.19
Finished goods	2,272.76	2,443.55
Finished goods - in Transit	3,209.54	1,073.94
Stores, Spares and Packing Materials	836.63	690.50
Stores, Spares and Packing Materials - in Transit	20.70	18.31
Total	22,758.70	16,234.42

Notes:

- 1 Refer Note 36 for the details in respect of inventories hypothecated/mortgaged as security for borrowings.
- 2 Inventories written down are accounted, considering the nature of inventory, ageing, liquidation of plan and net realisable value. Write-down of inventories amounted to ₹ 597.80 lakh (P.Y. ₹ 303.66 lakh). These write down have been recognised as an expense under Raw Material Consumption and Changes in inventories of finished goods and work-in progress in statement of Profit and Loss.

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

10 Trade receivables

Particulars	As on	
	31-Mar-21	31-Mar-20
Trade Receivables considered good - Unsecured	18,848.88	15,234.82
Trade Receivables which have significant increase in Credit Risk	127.93	-
Trade Receivables - credit impaired	93.71	62.40
Less: Allowance for bad and doubtful debts	(157.67)	(62.40)
Total	18,912.85	15,234.82

Refer Note no.36 for Trade Receivables offered as security, Note no.40(ii) for Currency Risk, Note 40(iii) for Credit Risk and Note no. 42 for related party disclosure

11 Cash and cash equivalents

Particulars	As on	
	31-Mar-21	31-Mar-20
<u>Balances with Banks</u>		
- In current accounts	604.73	1,290.13
- In deposit accounts having original maturity of three months or less	900.00	-
Cash on hand	8.87	14.77
Total	1,513.60	1,304.90

12 Other Bank Balances

Particulars	As on	
	31-Mar-21	31-Mar-20
Unpaid Dividend	57.26	58.47
Margin Money Accounts (Offered as Security against Bank Guarantee given)	129.06	113.23
Term deposits with original maturity of less than 12 months	11.11	10.54
Total	197.43	182.24

13 Current - Other Financial Assets

Particulars	As on	
	31-Mar-21	31-Mar-20
(Unsecured, Considered good unless otherwise stated)		
Interest accrued on fixed deposit and others	10.45	20.79
Loan to staff	56.40	49.44
Insurance claim receivable	4.95	5.13
Government grant receivable	25.00	-
Total	96.80	75.36

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

14 Other current assets

Particulars	As on	
	31-Mar-21	31-Mar-20
(Unsecured, Considered good unless otherwise stated)		
Export benefit receivables	15.61	7.10
VAT Credit Receivable	27.43	83.62
GST Receivable	2,364.34	1,518.65
Advances to Suppliers	1,211.53	692.02
Advances to Staff	25.11	14.65
Prepaid expenses	372.84	384.42
Others - receivable from Subsidiary Co.	-	0.02
Total	4,016.86	2,700.48

15 Equity Share capital

Particulars	As on	
	31-Mar-21	31-Mar-20
Authorised		
Equity shares	3,500.00	3,500.00
As at 31st March,2021 - 70,000,000 no. of shares at ₹ 5 each.		
As at 31st March,2020 - 70,000,000 no. of shares at ₹ 5 each.		
	3,500.00	3,500.00
Issued, subscribed and fully paid up		
Equity shares	1,682.68	1,682.68
As at 31st March,2021 - 33,653,576 no. of shares at ₹ 5 each.		
As at 31st March,2020 - 33,653,576 no. of shares at ₹ 5 each.		
Total	1,682.68	1,682.68

b) Rights of Equity Shareholders

- The Company has one class of equity shares having a par value of ₹5 per share. Each shareholder is eligible for one vote per share held.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Reconciliation of number of shares

Particulars	As on	
	31-Mar-21	31-Mar-20
Equity Shares :		
Balance as at the beginning of the year	3,36,53,576	3,36,53,576
Add: Shares issued during the year	-	-
Balance as at the end of the year	3,36,53,576	3,36,53,576

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As on	
	31-Mar-21	31-Mar-20
Mr. Dharmil A. Bodani	1,24,78,752 37.08%	1,24,78,752 37.08%
Mr. Shyamal A. Bodani	1,24,80,000 37.08%	1,24,80,000 37.08%

e) For a period of 5 years immediately preceding the balance sheet date, the company has:

Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
Share issue on Subdivision of Shares	-	-	84,13,394	-	-
Share issue on Bonus	-	-	1,68,26,788	-	-
Shares issued for consideration other than cash	-	-	-	32,79,720	-
Bought back any shares issued	-	-	-	-	-

16 Other Equity

Particulars	As on	
	31-Mar-21	31-Mar-20
A. Summary of Other Equity balance.		
Capital Reserve On Amalgamation	266.74	266.74
General Reserve	4,275.12	4,275.12
Retained Earnings	49,717.35	40,316.17
Items of other comprehensive income	(195.81)	(160.22)
Total	54,063.41	44,697.81

B. Nature and purpose of reserves

- Capital Reserve on Amalgamation** : During business combination, the excess of net assets taken over the cost of consideration paid is treated as capital reserve.
- General Reserve** : The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act
- Retained Earnings** : Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholder.
- Items of other Comprehensive income** : Difference between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustment within the plans, are recognised in 'Other Comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

17 Non Current Financial Liabilities - Borrowings

Particulars	As on	
	31-Mar-21	31-Mar-20
Secured		
Term loan from a Bank	-	152.95
Rate of interest range from 8.00% - 8.10% (P.Y. 8.10% - 9.10%)		
Total	-	152.95

Loan Repayment Schedule

Particulars	As on	
	31-Mar-21	31-Mar-20
Payable within 1 year	-	611.76
<i>Disclosed under Current Maturities of Long Term Debts refer note no.22</i>		
Payable between 1 to 2 years	-	152.95
Payable between 2 to 5 years	-	-
Total	-	764.71

(For details of security offered - Refer Note No.36)

18 Non Current Financial Liabilities - Others

Particulars	As on	
	31-Mar-21	31-Mar-20
Lease Liabilities	23.61	84.35
Total	23.61	84.35

Refer Note No. 43 for Leases.

19 Provisions

Particulars	As on	
	31-Mar-21	31-Mar-20
Provision for employee benefits :		
Provision for Gratuity	-	17.38
Provision for Compensated Absences	246.15	159.25
Total	246.15	176.63

Refer Note no. 44 for Defined benefit plans

20 Current Financial Liabilities - Borrowings

Particulars	As on	
	31-Mar-21	31-Mar-20
Secured		
Working Capital Loan from Banks	6,785.87	4,311.06
Unsecured		
Working Capital Loan from a Bank	1,000.00	-
Total	7,785.87	4,311.06

(For terms and conditions - Refer Note No.36 and 41(iv))

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

21 Trade payables

Particulars	As on	
	31-Mar-21	31-Mar-20
Due to micro enterprises and small enterprises	424.67	846.28
Due to creditors other than micro enterprises and small enterprises	6,704.97	4,805.26
Total	7,129.64	5,651.54

Refer Note no. 42 for related party disclosure

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	As on	
	31-Mar-21	31-Mar-20
1) Principal amount due and remaining unpaid	424.67	846.28
2) Interest due on above and the unpaid interest	0.94	0.73
3) Interest paid	-	-
4) Payment made beyond the appointed day during the year	-	-
5) Interest due and payable for the period of delay	-	-
6) Interest accrued and remaining unpaid	-	-
7) Amount of further interest remaining due and payable in succeeding years	-	-

22 Other financial liabilities

Particulars	As on	
	31-Mar-21	31-Mar-20
Current maturities of long-term debt	-	611.76
Interest accrued on borrowings	9.00	32.73
Unclaimed dividend	57.26	58.47
Lease liabilities	60.73	53.91
Payable towards capital expenditure	457.77	388.73
Total	584.76	1,145.60

Refer Note No. 43 for Leases.

23 Other Current liabilities

Particulars	As on	
	31-Mar-21	31-Mar-20
Advance from customers	50.55	53.90
Statutory dues	190.21	159.71
Total	240.76	213.61

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

24 Provisions

Particulars	As on	
	31-Mar-21	31-Mar-20
Provision for employee benefits :		
Provision for Gratuity	105.11	117.19
Provision for Compensated Absences	31.12	49.95
Total	136.23	167.14

Refer Note no. 44 for Defined benefit plans

25 Revenue from Operations

Particulars	For the year ended	
	2020-2021	2019-2020
Sale of Manufactured Products		
Contracted Price	71,050.30	76,146.92
Less: Trade Discount, Volume Rebate etc	(355.90)	(340.91)
	70,694.40	75,806.02
Other operating revenues		
Export Incentives	84.85	77.20
Process waste sale	94.45	49.64
Royalty Income	9.85	10.16
Total	70,883.55	75,943.01

26 Other income

Particulars	For the year ended	
	2020-2021	2019-2020
Rent and Compensation	3.53	5.05
Taxes refund and Interest thereof	10.40	79.93
Foreign Exchange Gain (net)	92.78	517.92
Other non-operating income	68.98	25.33
Total	175.69	628.23

27 Cost of materials consumed

Particulars	For the year ended	
	2020-2021	2019-2020
Raw Materials consumed	41,452.12	48,596.98
Total	41,452.12	48,596.98

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

28 Changes in inventories of finished goods and work-in progress

Particulars	For the year ended	
	2020-2021	2019-2020
Opening inventories		
Finished goods	3,517.49	2,762.70
Work-in-progress	4,705.19	4,557.37
Closing inventories		
Finished goods	(5,482.30)	(3,517.49)
Work-in-progress	(4,731.91)	(4,705.19)
Total	(1,991.53)	(902.61)

29 Manufacturing and Operating Costs

Particulars	For the year ended	
	2020-2021	2019-2020
Consumption of Spares Parts	1,197.35	1,295.11
Power and Fuel	3,377.44	3,572.86
Licence Fees (Technical Knowhow)	346.43	432.34
Other Manufacturing and Operating Expenses	2,283.61	2,022.50
Repairs to Buildings	114.66	133.26
Repairs to Machinery	527.82	631.19
Total	7,847.31	8,087.27

30 Employee benefits expense

Particulars	For the year ended	
	2020-2021	2019-2020
Salaries and wages	3,433.63	3,135.25
Contribution to provident fund and other funds	181.64	191.38
Defined benefit plan expense	164.85	74.07
Workmen and Staff welfare expenses	157.38	172.19
Total	3,937.50	3,572.90

31 Finance costs

Particulars	For the year ended	
	2020-2021	2019-2020
Interest expense	140.78	685.10
Foreign Exchange loss on borrowings	59.49	461.48
Other borrowing costs	39.81	48.68
Total	240.08	1,195.26

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

32 Depreciation and amortization expense

Particulars	For the year ended	
	2020-2021	2019-2020
Depreciation on Property, Plant and Equipment	1,458.74	1,506.57
Amortization on Right to use - leases	68.50	56.98
Amortization on Intangible assets	218.69	338.31
Total	1,745.93	1,901.86

33 Other expenses

Particulars	For the year ended	
	2020-2021	2019-2020
Rent	4.92	5.55
Insurance	295.03	283.90
Rates and taxes	113.87	183.12
Repairs & maintenance others	69.85	63.05
Auditors' remuneration and expenses*	19.50	19.91
Legal and professional expenses	672.52	454.43
Directors sitting fees	22.30	21.20
Bad debts	1.27	22.55
Less:- provision utilised against bad debts	-	(22.55)
Provision for doubtful debts	95.27	26.82
Freight expenses	1,266.02	1,250.15
Commission on sales	179.75	141.15
Sales promotion expenses	66.93	105.30
Travelling expenses	49.33	296.25
Corporate social responsibility expenses - Refer note no. 47	378.00	120.00
Net loss on sale / discard of property, plant and equipment	73.45	9.97
Provision for expected loss in respect of subsidiary	-	112.00
Miscellaneous expenses - Refer note no. 50	774.69	676.44
Total	4,082.70	3,769.22

***Auditors' remuneration and expenses**

Particulars	2020-2021	2019-2020
- Audit fees	12.50	11.50
- Limited review fees	6.00	6.00
- Certification fees	1.00	1.10
Reimbursement of out-of-pocket expenses	-	1.31
Total	19.50	19.91

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

34 Income Taxes

A. Tax expense recognized in the Statement of Profit and Loss

Particulars	2020-21	2019-20
Current tax	3,513.23	2,516.19
Deferred income tax	61.64	(792.80)
Deferred tax impact charge/(credit) on actuarial gain/(loss)	11.97	24.94
Tax in respect of earlier years	(72.39)	(48.51)
Total income tax expense/(credit)	3,514.44	1,699.82

B. A reconciliation of the income tax expense to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Reconciliation of effective tax rate	2020-21	2019-20
Profit before tax	13,745.13	10,350.35
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	3,459.65	2,605.18
Tax Expense Recognised in Statement of Profit and Loss	3,459.65	2,605.18
Differences due to:		
Tax in respect of earlier years	(72.39)	(48.51)
- Expenses not allowable for tax purposes	102.14	18.11
- Change in tax rate	-	(957.40)
- Others	25.04	82.43
Total income tax expense/(credit)	3,514.44	1,699.82

C. Movement in Deferred tax (assets)/liabilities during the year ended March 31, 2021 :

Particulars	As on 31-Mar-20	(Credit)/charge in Statement of Profit and Loss	As on 31-Mar-21
Expenses allowable for tax purposes when paid	(99.25)	(50.05)	(149.30)
Depreciation	2,704.38	111.70	2,816.08
Deferred Tax Liability/(Asset)	2,605.13	61.65	2,666.78

Movement in Deferred tax (assets)/liabilities during the year ended March 31, 2020 :

Particulars	As on 31-Mar-19	(Credit)/charge in Statement of Profit and Loss	As on 31-Mar-20
Expenses allowable for tax purposes when paid	(155.43)	56.18	(99.25)
Depreciation	3,578.32	(873.94)	2,704.38
Deferred Tax Liability/(Asset)	3,422.89	(817.77)	2,605.13

The Company had elected to exercise the option of lower tax rate permitted under section 115BAA of the Income-tax Act, 1961. The Company, accordingly had recognized Provision for Income Tax and re-measured its Deferred Tax Liabilities basis the rate prescribed in the said section. The impact of this change had been recognized in the Statement of Profit & Loss for year ended March 2020 including write back of deferred tax liabilities relating to earlier years of ₹ 957.40 lacs.

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

35 Earnings per share

Particulars	2020-21	2019-20
Earnings Per Share has been computed as under:		
Profit for the year	10,242.65	8,675.47
Weighted average number of equity shares outstanding (in Numbers)	3,36,53,576	3,36,53,576
Basic and diluted Earnings Per Share (₹)	30.44	25.78
(Face value of ₹ 5 per share)		

36 Assets offered as security

The carrying amounts of assets offered as security for current and non-current borrowings are:

Particulars	2020-21	2019-20
Current Assets		
Trade receivables	18,912.85	15,234.82
Inventories	22,758.70	16,234.42
Total Current assets offered as security	41,671.55	31,469.24
Non Current Assets*		
Buildings	3,077.41	3,235.36
Furniture, fittings and equipment	111.01	120.73
Plant and Machinery	10,575.82	10,023.68
Others	40.96	45.92
Total non-current assets offered as security	13,805.20	13,425.69
Total assets offered as security	55,476.75	44,894.93

*Subsequently, the charge created on the said assets has been satisfied.

37 Contingent liabilities and commitments (to the extent not provided for)

Particulars	2020-21	2019-20
Contingent Liabilities		
Claims against the Company not acknowledged as debts in respect of:-		
- Disputed Labour Claims	9.96	9.96
Where Company is in appeal		
- Disputed Excise Duty Matters	13.78	13.78
- Disputed Income Tax Matters	609.16	99.35
Where Department is in appeal		
- Disputed Sales Tax Matters	459.65	-
- Disputed Income Tax Matters	54.83	-
Total	1,147.38	123.09

The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements the Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

38 Commitments

A. Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

Particulars	As on 31-Mar-21	As on 31-Mar-20
Property, plant and equipment	1,000.32	913.81
Less: Capital advances	(57.73)	(63.51)
Net Capital commitments	942.59	850.30

B. Refer note no. 43 for commitments of lease liabilities.

39 Company has incurred following expenses on its in house Research & Development Facility :

(A) R & D Facility in Vadodara (approved u/s 35 (2AB) of Income Tax Act, 1961) :-

Accounts Head	2020-21	2019-20
(i) Capital Expenses included in various heads :		
Buildings	15.28	-
Plant & Machinery	15.48	55.47
Furniture & Fixtures	-	0.16
Computer and Computer Software	-	0.51
Total	30.76	56.14
(ii) Revenue Expenses included in various heads :		
Other Manufacturing and Operating Exp	91.50	126.47
Employee Benefit Expenses	118.67	86.40
Depreciation	22.30	19.87
Other Expenses	37.58	42.84
Total	270.05	275.58

(B) R & D Facility in Mumbai (Approved U/s 35 (2AB) of Income Tax Act, 1961.

Accounts Head	2020-21	2019-20
(i) Capital Expenses included in various heads :		
Accounts Head		
Plant and Machinery	50.54	9.79
Computer and Computer Software	3.61	0.41
Total	54.15	10.20
(ii) Revenue Expenses included in various heads :		
Cost of Material Consumed	6.90	47.46
Employee Benefit Expenses	172.20	142.81
Building Rent	33.94	32.14
Depreciation	24.05	54.43
Other Expenses	28.88	66.52
Total	265.97	343.36

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

40 Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company's market risk is managed by Senior Management, who evaluates and exercises independent control over the entire process of market risk management. The Senior Management recommend risk management objectives and policies, which are approved by the Audit Committee. The activities of Senior Management include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

i. Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Particulars	As on 31-Mar-21	As on 31-Mar-20
Borrowings bearing variable rate of interest	7,785.87	5,075.77

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

Particulars	2020-21	2019-20
50 bp increase in interest rate - decrease in profits	32.15	58.54
50 bp decrease in interest rate - Increase in profits	(32.15)	(58.54)

ii. Market Risk- Foreign currency risk.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Derivative instruments hedged and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

(Foreign currency In lakh)

Particulars	As on 31-Mar-21	As on 31-Mar-20
Forward contracts	-	-

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

(b) Particulars of unhedged foreign currency exposures as at the reporting date

As on 31st March 2021

(Foreign currency In lakh)

Particulars	CHF	USD	EURO
Trade Receivable	-	120.73	-
Trade payables	0.00	27.28	0.82
Borrowings	-	43.87	-
Cash and Bank balances	-	0.00	-

As on 31st March 2020

(Foreign currency In lakh)

Particulars	CHF	USD	EURO
Trade Receivable	-	98.35	-
Trade payables	0.05	18.26	0.15
Borrowings	-	44.23	-
Cash and Bank balances	-	0.06	0.01

Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following Impact on profit before tax

Particulars	2020-21		2019-20	
	1% Increase	1% decrease	1% Increase	1% decrease
EURO	(0.68)	0.68	(0.11)	0.11
USD	41.99	(41.99)	32.75	(32.75)
CHF	(0.00)	0.00	(0.04)	0.04
Increase / (decrease) in profit or loss	41.31	(41.31)	32.60	(32.60)

iii. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

Ageing of Account receivables

Particulars	As on 31-Mar-21	As on 31-Mar-20
Not due	12,482.50	9,382.15
0-3 months	5,636.40	4,735.97
3-6 months	515.10	830.91
beyond 6 months	308.58	348.18
Total	18,942.58	15,297.21

Movement in provisions of doubtful debts

Particulars	2020-21	2019-20
Opening provision	62.40	58.13
Add:- Additional provision made	95.27	26.82
Less:- Provision utilised against bad debts	-	(22.55)
Closing provision	157.67	62.40

Concentration Risk Disclosure

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment

The Company had three (P.Y. three) customers whose revenue individually represented 10% or more of the Company's total revenue, or whose accounts receivable balances individually represented 10% or more of the Company's total accounts receivable, as follows:

Particulars	2020-21	2019-20
Revenue from top 3 customers (P.Y. 3 customers)	23,579.75	25,057.14
% of total Revenue	33.27%	32.99%

iv. Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the companies short - term, medium term and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by maturing the profiles of assets and liabilities.

The table provides details regarding the remaining contractual maturities of Company's financial liabilities.

Particulars	Less than 1 Year/On Demand	1- 5 Years	More than 5 Years	Total
As at March 31, 2021				
Non Current Liabilities				
Borrowings	-	-	-	-
Other Financial Liabilities	-	23.61	-	23.61
Total Non current Liabilities	-	23.61	-	23.61
Current Liabilities				
Borrowings	7,785.87	-	-	7,785.87
Trade Payables	7,129.65	-	-	7,129.65
Other Financial Liabilities	584.76	-	-	584.76
Total Current Liabilities	15,500.29	-	-	15,500.29

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

Particulars	Less than 1 Year/On Demand	1- 5 Years	More than 5 Years	Total
As at March 31, 2020				
Non Current Liabilities				
Borrowings	-	152.95	-	152.95
Other Financial Liabilities	-	84.35	-	84.35
Total Non current Liabilities	-	237.30	-	237.30
Current Liabilities				
Borrowings	4,311.06	-	-	4,311.06
Trade Payables	5,651.54	-	-	5,651.54
Other Financial Liabilities	1,145.60	-	-	1,145.60
Total Current Liabilities	11,108.20	-	-	11,108.20

Financing arrangements

The company had access to following undrawn Borrowing facilities at end of reporting period:

Particulars	As on 31-Mar-21	As on 31-Mar-20
Variable Borrowing - Cash Credit expires within 1 year	20,278.93	21,035.99
Total	20,278.93	21,035.99

v. Impact of COVID-19

As a result of the nationwide lockdown imposed by the Government of India due to COVID 19, global health pandemic, the operations of the Company were temporarily disrupted at its various manufacturing plants impacting productions and dispatches from the last week of March 2020 up to end of first week of May 2020. Since then, the operations have been gradually resumed in line with the Government of India directives issued in this regard. The Company has taken adequate precautions for safety and well-being of the employees while resumption of operations of its plants.

In view of recent surge in Covid-19 cases, few states reintroduced some restrictions and the Company continues to be vigilant and cautious.

The Company has considered the possible impact of COVID 19 in preparation of the financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of the financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

41 Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as on 31-Mar-21

Particulars	Non Current	Current	Total	Routed through P & L	Routed through OCI	Carrying at amortised cost	At Cost	Total
Financial Assets								
Investments in Subsidiary	960.00		960.00	-	-	-	960.00	960.00
Other Financial Assets	398.96		398.96	-	-	398.96	-	398.96
Trade receivable		18,912.85	18,912.85	-	-	18,912.85	-	18,912.85
Cash and Cash equivalents		1,513.60	1,513.60	-	-	1,513.60	-	1,513.60
Other Bank Balance		197.43	197.43	-	-	197.43	-	197.43
Other Current financial assets		96.80	96.80	-	-	96.80	-	96.80
	1,358.96	20,720.68	22,079.64	-	-	21,119.64	960.00	22,079.64
Financial Liabilities								
Borrowings	-	7,785.87	7,785.87	-	-	7,785.87	-	7,785.87
Other Financial Liabilities	23.61	584.76	608.37	-	-	608.37	-	608.37
Trade Payables	-	7,129.65	7,129.65	-	-	7,129.65	-	7,129.65
	23.61	15,500.29	15,523.89	-	-	15,523.89	-	15,523.89

Financial Assets and Liabilities as on 31-Mar-20

Particulars	Non Current	Current	Total	Routed through P & L	Routed through OCI	Carrying at amortised cost	At Cost	Total
Financial Assets								
Investments in Subsidiary	600.00	-	600.00	-	-	-	600.00	600.00
Other Financial Assets	373.39	-	373.39	-	-	373.39	-	373.39
Trade receivable	-	15,234.82	15,234.82	-	-	15,234.82	-	15,234.82
Cash and Cash equivalents	-	1,304.90	1,304.90	-	-	1,304.90	-	1,304.90
Other Bank Balance	-	182.24	182.24	-	-	182.24	-	182.24
Other Current financial Assets	-	75.36	75.36	-	-	75.36	-	75.36
	973.39	16,797.32	17,770.71	-	-	17,170.71	600.00	17,770.71
Financial Liabilities								
Borrowings	152.95	4,311.06	4,464.01	-	-	4,464.01	-	4,464.01
Other Financial Liabilities	84.35	1,145.60	1,229.95	-	-	1,229.95	-	1,229.95
Trade Payables	-	5,651.54	5,651.54	-	-	5,651.54	-	5,651.54
	237.30	11,108.20	11,345.50	-	-	11,345.50	-	11,345.50

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42 Related Parties Disclosure

a) Parties where control exists

Subsidiary : PT. Oriental Aromatics, Indonesia. (Proposed to be Liquidated)

Subsidiary : Oriental Aromatics & Sons Limited, India (Incorporated on 27th December, 2019)

b) Other Parties with whom the Company has entered into transactions during the year :

i) Enterprises over which Key Managerial Personnel are able to exercise significant influence

Keshavlal V. Bodani Education Foundation.

Arofine Chemicals Industries (w.e.f. 27.05.2019)

Vaishnavi Chemicals Private Limited (w.e.f. 27.05.2019)

ii) Key Management personnel and relatives :

Mr. Dharmil A. Bodani (Chairman and Managing Director)

Mr. Shyamal A. Bodani (Executive Director)

Mr. Animesh Dhar (Executive Director - Operations till 21.07.20)

Mr. Satish Ray (Executive Director - Operations)

Mr Bhadreshkumar Pandiya (Executive Director - Operations w.e.f 10.08.20)

Mr. Parag Satoskar (Chief Executive Officer w.e.f. 27.05.2019)

Mr. Girish Khandelwal (Chief Financial Officer)

Mrs. Kiranpreet Gill (Company Secretary)

Mrs. Indira Bodani (Relative KMP)

Mrs. Anita Satoskar (Chief R&D Officer) (Relative of KMP w.e.f. 27.05.2019; KMP w.e.f. 25.03.2021)

iii) Non-Executive Independent Director:

Mr. Harshvardhan A. Piramal

Mr. Prakash V. Mehta

Mr. Ranjit A. Puranik

Ms. Amruda V. Nair

Transaction with the Related Parties

1 Compensation to Key Management Personnel

Sr No	Particulars	2020-21	2019-20	Balance as on 31-Mar-21	Balance as on 31-Mar-20
1	Short term employee benefits	512.28	432.27	(35.30)	(33.82)
2	Post-employment benefits*	-	-	-	-

*Key Managerial Personnel and Relatives of Key Managerial Personnel who are under the employment of the company are entitled to post employment benefits and other long term benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Notes to the standalone financial statements

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2 Disclosure in respect of material transaction with related parties

Sr No	Particulars	Nature of transaction	2020-21	2019-20	Balance as on 31-Mar-21	Balance as on 31-Mar-20
1	PT. Oriental Aromatics	Sales	-	41.31	57.85	95.08
		Conversion of Loan into Equity	-	782.21	-	-
2	Oriental Aromatics & Sons Limited	Investment in Equity Share	360.00	600.00	960.00	600.00
		Reimbursement of Expenses	6.67	26.69	-	0.02
3	Keshavlal V. Bodani Education Foundation	Donation (Included in CSR Expenses)	373.80	113.75	-	-
4	Mr. Dharmil A. Bodani	Remuneration	206.26	201.80	(11.60)	(14.38)
5	Mr Shyamal A. Bodani	Remuneration	109.08	109.08	(9.37)	(9.09)
6	Mr. Animesh Dhar	Remuneration	33.84	33.46	-	(2.70)
7	Mr Bhadreshkumar Pandiya	Remuneration	17.06	-	-	-
8	Mr. Satish Ray	Remuneration	21.04	21.00	-	(1.62)
9	Mr. Parag Satoskar	Remuneration	46.90	24.90	(14.33)	(2.45)
10	Ms. Anita Satoskar	Remuneration	29.40	24.90	-	(2.45)
11	Mr. Girish Khandelwal	Remuneration	36.24	31.17	-	(2.63)
12	Ms. Kiranpreet Gill	Remuneration	12.46	10.86	-	(0.96)
13	Ms. Indira Bodani	Remuneration	23.26	21.63	-	(1.80)
14	Non-Executive Independent Director	Directors sitting fees	22.30	21.20	-	-
15	Vaishnavi Chemicals Private Limited	Rent Expenses	30.24	22.68		-
		Provision made against Receivable	-	5.48	13.48	16.20
16	Arofine Chemicals Industries	Provision made against Receivable	-	8.46	37.02	37.02

Note :

- 1 No amount in respect of related party have been written off/provided for during the year, except disclosed above.
- 2 Related parties relationship have been identified by the management and relied upon by the auditors.
- 3 Terms and conditions of transactions: the transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions and market rates.
- 4 Figures in brackets represents amount payable.

43 LEASES

Effective April 1, 2019, the Company had adopted Ind AS 116 "Leases" using modified retrospective approach. The Company's lease asset classes primarily consist of leases for buildings. These leases were classified as "Operating Leases" under Ind AS 17. On transition to Ind AS 116 "Leases", for these leases, lease liabilities were measured at the present value of remaining lease payments, discounted at the Company's incremental borrowing rate as at April 01, 2019. Right to Use is measured either at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

The Company had used following practical expedient, when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

- The company didn't recognized Right to Use and Lease liabilities for lease for which the lease terms ends within 12 months on the date of initial transition and low value assets
- The Company excluded initial direct cost from measurement of the Right to Use assets at the date of initial application.
- The Company uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 9%.

Following are the changes in the carrying value of right of use assets for the year ended

Particulars	Type of Right to Use assets		Total
	Building	Land	
Balance as at 1st April 2019	-	-	-
Reclassified on account of adoption of Ind As 116	-	613.05	613.05
Additions	180.26	-	180.26
Deletions	-	-	-
Depreciation and amortisation expenses (Refer Note 4)	48.93	8.05	56.98
Balance as at 31st March 2020	131.33	605.00	736.33
Depreciation and amortisation expenses (Refer Note 4)	55.46	13.04	68.50
Balance as at 31st March 2021	75.86	591.96	667.83

Following is the movement in lease liabilities during the year

Particulars	2020-21	2019-20
Opening Balance	138.26	-
Additions	-	180.27
Interest accrued during the year	10.27	12.81
Deletions	-	-
Payment of lease liabilities	64.18	54.82
Closing Balance	84.35	138.26
- Current lease liabilities	60.73	53.91
- Non- current lease liabilities	23.61	84.35

Break-up of the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	2020-21	2019-20
Less than one year	65.87	64.18
One to five years	24.13	90.01
More than 5 years	-	-

Particulars	2020-21	2019-20
Rental expense	4.92	5.55

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

44 Disclosure pursuant to Ind AS 19 - Employee benefits

I. DEFINED BENEFIT PLANS :

A. Balance Sheet

Particulars	As on 31-Mar-21	As on 31-Mar-20
Present value of plan liabilities	568.16	541.05
Fair value of plan assets	463.05	406.48
Plan liability net of plan assets	105.11	134.57

B. Movements in plan assets and plan liabilities

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
As at 1st April 2020	406.48	541.05	134.57
Current service cost	-	48.95	48.95
Employer contributions	134.09	-	(134.09)
Return on plan assets	(6.96)	-	6.96
Interest cost	-	32.68	32.68
Interest income	24.55	-	(24.55)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(9.35)	(9.35)
Actuarial (gain)/loss arising from experience adjustments	-	49.95	49.95
Benefit payments	(95.12)	(95.12)	-
As at 31st March 2021	463.05	568.16	105.12

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
As at 1st April 2019	371.55	509.64	138.09
Current service cost	-	36.15	36.15
Employer contributions	149.24	-	(149.24)
Return on plan assets	(6.65)	-	6.65
Interest cost	-	38.68	38.68
Interest income	28.20	-	(28.20)
Actuarial (gain)/loss arising from changes in financial assumptions	-	40.74	40.74
Actuarial (gain)/loss arising from experience adjustments	-	51.70	51.70
Benefit payments	(135.86)	(135.86)	-
As at 31st March 2020	406.48	541.05	134.57

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

C. Statement of Profit and Loss

Particulars	2020-21	2019-20
Employee Benefit Expenses:		
Current service cost	48.95	36.15
Total	48.95	36.15
Finance cost/(income)	8.13	10.48
Net impact on the Profit / (Loss) before tax	57.08	46.63
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net	6.96	6.65
Actuarial gains/(losses) arising from changes in financial assumptions	(9.36)	40.74
Experience gains/(losses) arising on pension plan and other benefit plan liabilities	49.95	51.70
	-	-
Net impact on the Other Comprehensive Income before tax	47.55	99.09

D. Investment details of plan assets

Particulars	As on 31-Mar-21	As on 31-Mar-20
Insurance Fund	463.05	406.48

E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Particulars	As on 31-Mar-21	As on 31-Mar-20
Financial Assumptions		
Discount rate	6.33%	6.04%
Salary Escalation Rate	6.00%	6.00%
Number of Active Members	671	654
Per Month Salary For Active Members	130.67	117.19
<i>Weighted Average Duration of the Projected Benefit Obligation</i>	7	7

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table Mortality in Retirement : LIC Buy-out Annuity.

Rates & UK Published PA (90) Annuity Rates suitably adjusted for Indian Lives.

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

As at 31st March'21	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	PVO DR+1%	538.37	601.94
Salary Escalation Rate	PVO ER+1%	599.90	539.42
Employee Turnover	PVO ET+1%	568.22	568.34

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

As at 31st March'20	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	PVO DR+1%	513.90	571.84
Salary Escalation Rate	PVO ER+1%	569.77	515.00
Employee Turnover	PVO ET+1%	540.76	541.30

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

G. The defined benefit obligations shall mature after year end 31st March, 2021 as follows:

Year ending 31 March,	Amount
2022	108.70
2023	56.64
2024	48.64
Thereafter	677.57

The defined benefit obligations shall mature after year end 31st March, 2020 as follows:

Year ending 31 March,	Amount
2021	119.61
2022	49.61
2023	60.48
Thereafter	585.88

II. COMPENSATED ABSENCES:

The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences. Compensated absences charged to the statement of profit and loss for the year is Rs. 94.30 lakh (Rs. 24.96 lakh for the year ended March 31, 2020).

45 Capital risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

The Company's strategy is to maintain a minimum gearing ratio. The gearing ratios were as follows:

Particulars	As on 31-Mar-21	As on 31-Mar-20
Net Debt (Net of cash and cash equivalent of ₹ 1,513.60 (Previous year ₹ 1,304.90))	6,272.28	3,770.86
Equity	55,746.08	46,380.49
Total Capital Employed	62,018.36	50,151.35
Gearing Ratio	10.11%	7.52%

46 Debt Reconciliation

Particulars	For the year ended 31-Mar-21		For the year ended 31-Mar-20	
	Term Loan	Working Capital Loan	Term Loan	Working Capital Loan
Opening Debt	764.71	4,311.06	2,117.65	16,223.70
Cash Flow during the year	(764.71)	3,436.99	(1,352.94)	(12,100.77)
Foreign Exchange (Gain)/loss	-	37.82	-	188.13
Closing Debt	-	7,785.87	764.71	4,311.06

47 Corporate Social Responsibility

Particulars	As on 31-Mar-21	As on 31-Mar-20
Amount required to be spent as per Section 135 of Companies Act, 2013	151.20	109.28
Amount Spent during the year		
(a) Construction/Acquisition of assets	-	-
(b) On purpose other than above	378.00	120.00

48 Operating segment

The Company is engaged in the business of manufacture of Fine Chemicals, considering its business activities primarily operated within India and reviewed by the Chairman and Managing Director to make decisions about resources to be allocated to the segment and assess its Performance. Accordingly, the Company has only one business segment.

The information relating to revenue from external customers of its single reportable segment has been disclosed as below:

a. Revenue from operations

Particulars	2020-21	2020-21
Within India	51,393.58	53,843.21
Outside India	19,489.97	22,099.80
Total	70,883.55	75,943.01

b. Non-current operating assets

All non-current assets of the Company are located in India.

49 Impairment testing of Goodwill on Amalgamation

Goodwill on amalgamation of ₹ 4497.72 Lakh is relating to the merged business of its fragrance and flavours division ('CGU').

Goodwill is not amortised, instead it is tested for impairment annually or more frequently if indicators of impairment exist. The recoverable amount is determined based on value-in-use calculation which require the use of certain assumptions. The calculation use cash flow projections based on management approved cash flow projections for the 3-5 years period. Cash flow post that is extrapolated using the estimated growth rates.

Notes to the standalone financial statements

as at and for the year ended 31st March, 2021

As a result of impairment test for the year ended 31st March 2021, no goodwill impairment was identified as the fair value of the CGUs to whom goodwill is relating to exceed their respective carrying amount. An analysis of the sensitivity of the changes in key parameters (cash flows, Discount rate and Long term average growth rate), based on reasonable probable assumptions, did not result in any probable scenario in which the recoverable amount of the CGU's would decrease below the carrying amount.

Key assumption used as at March 31, 2021 and March 31, 2020

Discount rate – 11.5% (P.Y. 11.5%)

Terminal Growth rate – 5% (P.Y. 5%)

50 Fire Insurance Claim

During the previous year, on 05th December, 2019, a fire occurred in Catalyst plant situated at its manufacturing facility at Bareilly. There had been loss to assets comprising of inventories, building, plant & machinery and other tangible assets etc. As per the best estimate of the Management, the book value of assets lost due to fire is 101.45 Lakh, which had debited to the statement of profit and loss and included in other expenses.

The Company is adequately insured and in process of filling the required documents with the Insurance Company. The Insurance claim will be recognised on admission/approval of the claim by the Insurance Company.

51 The Board of Directors has not recommended any further Dividend on equity Shares for the Financial Year 2020-21. The Interim Dividend of ₹ 2.50 per equity share declared and paid (₹ 841.47 lakh) shall be considered as Final Dividend for the Financial Year 2020-21.

52 The Standalone Financial Statements have been approved by the Board of Directors in its meeting held on 10th May, 2021.

53 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.

54 The previous year's figures have been re-grouped / re-classified wherever required to conform to current year's classification.

All figures of financials has been rounded off to nearest lakh rupees.

Signatures to Notes 1 to 54 which form an integral part of the standalone financial statement.

For and on behalf of the Board of Directors

Dharmil A. Bodani
Managing Director
DIN : 00618333

Shyamal A. Bodani
Executive Director
DIN: 00617950

Parag Satoskar
Chief Executive
Officer

Girish Khandelwal
Chief Financial Officer

Kiranpreet Gill
Company Secretary

Date : 10th May, 2021
Place : Mumbai



Financial Statements - Consolidated

Independent Auditor's Report

To The Members of
Oriental Aromatics Limited
Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Oriental Aromatics Limited ("the Parent Company"), its subsidiaries (hereinafter to be referred as "the Group") which comprises of consolidated Balance Sheet as at March 31, 2021, the consolidated statement of Profit & Loss (including other comprehensive income), the consolidated Statement of changes in equity and the consolidated Statement of cash flow for the year than ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2021, its profits (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Auditor's response
1.	<p><u>Goodwill on Amalgamation - Impairment:</u></p> <p>The Company is required to annually test the amount of goodwill for impairment. This annual impairment test was significant to our audit because the balance of Rs. 4497.92 lakh, relating to a cash generating unit, is material to the financial statements. In addition to that, since the assessment process is judgmental by nature as it is based on assumptions on future market and/or economic conditions.</p> <p>The assumptions used included future cash flow projections, discount rates, perpetuity and sensitivity analyses.</p>	<p>Our audit procedures in relation to management's impairment assessment included:</p> <ul style="list-style-type: none"> - Assessing the valuation methodology and obtained understanding of the process followed by the management for determining the recoverable amount of the cash generating unit for which the goodwill is recognized. - Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results, including discussions with management relating to these. - Tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate - Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management. - We also assessed the disclosures provided by the Company in relation to its annual impairment test in Note no. 49 to the standalone financial statements. <p>These procedures performed, gave us a sufficient evidence to enable us to rely on the accounting for goodwill impairment for the purpose of our audit of the Standalone financial statements.</p>

Information Other than the Consolidated Financial Statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to the Board report but does not include the consolidated financial statement and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

- (a) We did not audit the financial statements of 2 lakh subsidiaries included in the consolidated financial statements of the Group whose financial statements reflects total assets of Rs. 957.91 lakh as at March 31, 2021 (Rs. 632.82 lakh as at March 31, 2020); total revenue of Rs. Nil, net loss of Rs. 15.94 lakh and net cash outflow of Rs. 399.87 lakh for the year ended 31 March, 2021 (revenue of Rs. 87.68 lakh, net loss of Rs. 36.83 lakh and net cash flow of Rs. 346.64 lakh for the year ended March 31, 2020), as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associates, is based solely on the report of other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law maintained by the Group have been kept so far as it appears from our examination of those books and records.
 - (c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including other comprehensive income),

Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and jointly controlled company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Indian subsidiary and the operating effectiveness of such controls, please refer Annexure B of the standalone audit report attached with the standalone financial statements included in this annual report.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial performance in its consolidated financial statements. [Refer Note No. 37 to the standalone financial statements]
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Bagaria & CO LLP
Chartered Accountants
Firm registration No. –
113447W/W-100019

Vinay Somani
Partner
Membership No. 143503
UDIN:-21143503AAAAHZ8117

Place: Mumbai
Date: 10th May, 2021

Consolidated Balance Sheet

For The Year Ended 31st March, 2021

INR (In Lakh)

Particulars		Note	As on 31-Mar-21	As on 31-Mar-20
I	ASSETS			
1	Non-current Assets			
	(a) Property, Plant and Equipment	2	18,458.59	18,144.25
	(b) Capital work - in - progress	2	1,268.91	174.46
	(c) Goodwill on Amalgamation	2	4,497.72	4,497.72
	(d) Intangible assets	3	23.57	240.15
	(e) Right of use - Lease	4	667.83	736.33
	(f) Financial Assets :			
	Other financial assets	5	398.96	373.39
	(g) Income Tax Assets (Net)		743.53	318.74
	(h) Other non - current assets	6	684.09	63.51
	Total Non-Current Assets		26,743.20	24,548.55
2	Current assets			
	(a) Inventories	7	22,758.70	16,234.42
	(b) Financial Assets :			
	(i) Trade receivables	8	18,854.66	15,143.68
	(ii) Cash and cash equivalents	9	1,538.68	1,729.86
	(iii) Bank Balances other than (ii) above	10	472.43	381.24
	(iv) Other current financial assets	11	104.07	83.96
	(d) Other current assets	12	4,019.86	2,700.46
	Total Current Assets		47,748.40	36,273.62
3	Non-current assets classified as held for sale		8.00	8.00
	TOTAL ASSETS		74,499.60	60,830.17
II	EQUITY AND LIABILITIES			
1	Equity			
	a) Equity share capital	13	1,682.68	1,682.68
	b) Other Equity	14	54,045.99	44,731.31
	Total Equity		55,728.67	46,413.99
2	Liabilities			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	-	152.95
	(ii) Other Financial Liabilities	16	23.61	84.35
	(b) Provisions	17	246.15	176.63
	(c) Deferred tax liabilities		2,662.44	2,601.22
	Total Non Current Liabilities		2,932.20	3,015.15
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	7,785.87	4,311.06
	(ii) Trade Payables	19		
	(A) Total outstanding dues of micro enterprises and small enterprises;		424.67	846.28
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,662.58	4,717.19
	(iii) Other Financial Liabilities	20	584.76	1,145.60
	(b) Other current liabilities	21	244.62	213.76
	(c) Provisions	22	136.23	167.14
	Total Current Liabilities		15,838.73	11,401.03
	Total Liabilities		18,770.93	14,416.18
	TOTAL EQUITY AND LIABILITIES		74,499.60	60,830.17
	Significant accounting policies and accompanying notes form an integral part of consolidated financial statements	1- 37		

As per our attached Report of even date.

For Bagaria & Co. LLP

Chartered Accountants

Firm Registration No. - 113447W/W-100019

Vinay Somani

Partner

Date : 10th May, 2021

Place : Mumbai

For and on behalf of the Board of Directors

Dharmil A. Bodani
Managing Director
DIN : 00618333

Shyamal A. Bodani
Executive Director
DIN: 00617950

Parag Satoskar
Chief Executive Officer

Girish Khandelwal
Chief Financial Officer

Kiranpreet Gill
Company Secretary

Consolidated Statement of Profit and Loss

For The Year Ended 31st March, 2021

INR (In Lakh)

Particulars		Note	For the year ended 31-Mar-21	For the year ended 31-Mar-20
I	Income			
	Revenue from Operations	23	70,883.55	75,989.45
	Other Income	24	165.41	663.11
	Total Income		71,048.96	76,652.56
II	Expenses			
	Cost of materials consumed	25	41,452.12	48,630.94
	Changes in inventories of finished goods and work-in progress	26	(1,991.53)	(902.61)
	Manufacturing and Operating Costs	27	7,847.31	8,078.21
	Employee benefits expense	28	3,946.28	3,581.13
	Finance costs	29	231.05	1,192.46
	Depreciation and amortization expense	30	1,745.93	1,901.86
	Other expenses	31	4,121.98	3,880.73
	Total expenses		57,353.14	66,362.72
III	Profit before tax		13,695.82	10,289.84
IV	Tax expense	32		
	Current tax		3,513.23	2,516.19
	Deferred tax charge/(credit)		61.22	(796.73)
	Tax in respect of Earlier Years, Written Back		(72.39)	(48.51)
			3,502.06	1,670.95
V	Profit for the year		10,193.76	8,618.89
VI	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Actuarial Gain/(Loss)		(47.55)	(99.08)
	Tax Impact Charge/(credit) on Actuarial Gain/(Loss)		(11.97)	(24.94)
	Other Comprehensive Income		(35.58)	(74.14)
VII	Total Comprehensive Income for the year (V + VI)		10,158.18	8,544.75
	Attributable to the owners of the parent's company			
	Earnings per equity share of ₹ 5 each	33		
	Basic & Diluted		30.29	25.61
	Significant accounting policies and accompanying notes form an integral part of consolidated financial statements	1- 37		

As per our attached Report of even date.
For Bagaria & Co. LLP
 Chartered Accountants
 Firm Registration No. - 113447W/W-100019
Vinay Somani
 Partner

Date : 10th May, 2021
 Place : Mumbai

For and on behalf of the Board of Directors

Dharmil A. Bodani
 Managing Director
 DIN : 00618333

Shyamal A. Bodani
 Executive Director
 DIN: 00617950

Parag Satoskar
 Chief Executive Officer

Girish Khandelwal
 Chief Financial Officer

Kiranpreet Gill
 Company Secretary

Consolidated Cash Flow Statement Sheet

For The Year Ended 31st March, 2021

INR (In Lakh)

Particulars	Note	For the year ended 31-Mar-21	For the year ended 31-Mar-20
A) Cash Flow from Operating Activities			
Net Profit before Tax		13,695.82	10,289.83
Adjustments for:			
Depreciation and amortization expense		1,745.93	1,901.86
Interest and Other Finance Cost		231.05	1,192.46
Bad Debts and Provision for doubtful Debts		95.27	55.85
Loss / (Profit) on discarding / sale of assets (Net)		73.45	9.97
Sundry balances write off / Excess Provision Written back		217.73	(74.13)
Unrealised Foreign Exchange rate difference		(49.57)	2.77
Operating Profit before Working Capital Changes		16,009.68	13,378.60
Adjustments for:			
(Increase)/Decrease in Trade & Other Receivables		(5,489.64)	2,857.76
(Increase)/Decrease in Inventories		(6,524.28)	4,055.65
Increase/(Decrease) in Trade Payables & Provisions		1,592.04	330.80
Cash generated from Operating Activities		5,587.80	20,622.81
Direct Taxes (Paid) Net of Refund Received		(3,853.66)	(2,528.56)
Net Cash from Operating Activities (A)		1,734.14	18,094.25
B) Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment		(3,502.68)	(988.40)
Sale of Property, Plant and Equipment		8.05	24.92
Net Cash (used in)/from Investing Activities (B)		(3,494.63)	(963.48)
C) Cash Flow from Financing Activities			
Repayment of long term borrowings		(764.70)	(1,352.94)
Increase/(Decrease) in short term borrowings		3,436.99	(12,100.77)
Dividend Paid (Including Dividend Distribution Tax)		(841.47)	(1,420.00)
Payment of lease liabilities		(64.18)	(54.82)
Interest and Other Financial Cost		(197.33)	(976.99)
Net Cash (used in)/from Financing Activities (C)		1,569.31	(15,905.52)
Net increase in cash and cash equivalents (A + B + C)		(191.18)	1,225.25
Cash & cash equivalents at beginning of the year	9	1,729.86	504.61
Cash & cash equivalents at end of the year	9	1,538.68	1,729.86
Significant Accounting Policies and accompany Notes	1- 37		
form integral part of the consolidated financial Statements			

As per our attached Report of even date.

For Bagaria & Co. LLP

Chartered Accountants

Firm Registration No. - 113447W/W-100019

Vinay Somani

Partner

Date : 10th May, 2021

Place : Mumbai

For and on behalf of the Board of Directors**Dharmil A. Bodani**

Managing Director

DIN : 00618333

Shyamal A. Bodani

Executive Director

DIN: 00617950

Parag Satoskar

Chief Executive Officer

Girish Khandelwal

Chief Financial Officer

Kiranpreet Gill

Company Secretary

Statement of Changes in Equity

For The Year Ended 31st March, 2021

INR (In Lakh)

a EQUITY SHARE CAPITAL

As on 31-Mar-19	Change during the year 2019-20	As on 31-Mar-20	Change during the year 2020-21	As on 31-Mar-21
1,682.68	-	1,682.68	-	1,682.68

b OTHER EQUITY

Particulars	NOTE	Reserves and Surplus			Items of other comprehensive income		Total
		Capital Reserve on Amalgamation	General Reserve	Retained Earnings	Actuarial gains / (losses)	Foreign Currency Translation Reserve	
Balance as at 1st April, 2019		266.74	4,275.12	33,154.21	(86.08)	(100.25)	37,509.74
Profit for the year		-	-	8,618.88	-	-	8,618.88
Other Comprehensive Income for the year		-	-	-	(74.14)	-	(74.14)
Transfer		-	-	-	-	96.82	96.82
Dividend Paid (including Interim Dividend)		-	-	(1,177.88)	-	-	(1,177.88)
Dividend Distribution Tax Paid		-	-	(242.12)	-	-	(242.12)
Balance as at 31st March, 2020		266.74	4,275.12	40,353.09	(160.22)	(3.43)	44,731.31
Profit for the year		-	-	10,193.76	-	-	10,193.76
Other Comprehensive Income for the year		-	-	-	(35.58)	-	(35.58)
Translation reserve for the year		-	-	-	-	(2.01)	(2.01)
Interim dividend paid		-	-	(841.47)	-	-	(841.47)
Balance as at 31st March, 2021		266.74	4,275.12	49,705.38	(195.81)	(5.44)	54,045.99
Significant accounting policies and accompanying notes form an integral part of consolidated financial statements	1- 37						

As per our attached Report of even date.

For Bagaria & Co. LLP

Chartered Accountants

Firm Registration No. - 113447W/W-100019

Vinay Somani

Partner

Date : 10th May, 2021

Place : Mumbai

For and on behalf of the Board of Directors

Dharmil A. Bodani

Managing Director

DIN : 00618333

Shyamal A. Bodani

Executive Director

DIN: 00617950

Parag Satoskar

Chief Executive

Officer

Girish Khandelwal

Chief Financial Officer

Kiranpreet Gill

Company Secretary

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

1 General Information :

The consolidated financial statements comprise financial statements of Oriental Aromatics Limited ("the Parent Company") and its subsidiaries (hereinafter referred to as "the Group") for the year ended 31st March, 2021.

The Parent Company is a Public limited company and based at Mumbai, Maharashtra, India. It is incorporated under Companies Act, 1956 and its shares are listed on BSE Limited and National Stock Exchange Limited. The Company is having 3 manufacturing facilities at Ambernath - Maharashtra, Bareilly - Uttarpradesh, Vadodara - Gujarat and they are engaged in the manufacturing and sale of Fine chemicals i.e. camphor, perfumery & specialty aroma chemicals, fragrances and flavour in India.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :

I. Statement of compliance:

The Consolidated financial Statements of the Group which comprise the Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended 31st March, 2021, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as Consolidated Financial Statements) have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter ('Ind AS'), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Consolidated Financial Statements have been approved by the Board of Directors in its meeting held on 10th May, 2021.

II. PRINCIPLES OF CONSOLIDATION

(i) Subsidiaries:

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

(ii) The acquisition method of accounting is used to account for business combinations by the group.

(ii) Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Deferred tax asset has been created on unrealized stock reserve.

(iii) Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(iv) The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

- (v) When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

III. Foreign currency transactions

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On disposal of foreign operations (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

- IV For other accounting policies - Refer significant accounting policies mentioned in the standalone financial statement.

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

2	Property, Plant and Equipment	Particulars								Total	Capital Work- In-Progress
		Freehold Land	Lease Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers		
	Gross Carrying Amount / Deemed Cost										
	As at 1st April 2020	4.74	-	6,162.75	14,528.36	371.49	963.27	761.70	94.43	22,886.74	174.46
	Additions	-	-	90.76	1,665.92	20.62	11.17	25.35	40.71	1,854.53	2,559.30
	Disposals/Adjustment	-	-	-	93.11	11.73	0.82	16.54	23.21	145.40	1,464.85
	As at 31st March 2021	4.74	-	6,253.51	16,101.17	380.38	973.62	770.51	111.93	24,595.87	1,268.91
	Accumulated Depreciation:										
	As at 1st April 2020	-	-	944.26	2,795.65	253.46	516.91	167.54	64.66	4,742.48	-
	Depreciation charge for the year	-	-	259.07	953.71	36.80	89.48	90.40	29.29	1,458.75	-
	Disposals/Adjustment	-	-	-	21.68	10.30	0.66	13.33	17.98	63.95	-
	As at 31st March 2021	-	-	1,203.33	3,727.68	279.96	605.73	244.61	75.97	6,137.28	-
	Net Carrying Amount:										
	As at 31st March 2020	4.74	-	5,218.49	11,732.71	118.03	446.36	594.16	29.77	18,144.26	174.46
	As at 31st March 2021	4.74	-	5,050.18	12,373.49	100.42	367.89	525.91	35.96	18,458.59	1,268.91
	Particulars	Freehold Land	Lease Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work- In-Progress
	Additions										
	As at 31st March 2019	4.74	631.83	6,109.87	14,041.50	350.54	958.41	609.40	62.03	22,768.33	80.31
	Additions	-	-	70.86	574.00	26.96	6.88	212.63	33.99	925.32	355.33
	Disposals	-	-	17.99	87.14	6.02	2.02	60.33	1.59	175.08	261.18
	Reclassified on account of adoption of Ind As 116 - Refer Note No. 4	4.74	631.83	-	-	-	-	-	-	631.83	-
	As at 31st March 2020	4.74	-	6,162.75	14,528.36	371.49	963.27	761.70	94.43	22,886.74	174.46
	Accumulated Depreciation:										
	As at 31st March 2019	-	18.78	691.09	1,887.74	220.12	389.95	115.25	39.68	3,362.61	-
	Depreciation charge for the year	-	-	255.03	971.31	38.60	128.86	86.35	26.42	1,506.57	-
	Disposals	-	-	1.86	63.40	5.26	1.89	34.06	1.44	107.92	-
	Reclassified on account of adoption of Ind As 116 - Refer Note No. 4	-	18.78	-	-	-	-	-	-	18.78	-
	As at 31st March 2020	-	-	944.26	2,795.65	253.46	516.91	167.54	64.66	4,742.48	-
	Net Carrying Amount:										
	As at 31st March 2019	4.74	613.05	5,418.78	12,153.77	130.42	568.46	494.16	22.35	19,405.71	80.31
	As at 31st March 2020	4.74	-	5,218.49	11,732.71	118.03	446.36	594.16	29.77	18,144.26	174.46

Notes:

A. For information on property, plant and equipment offered as security by the Company, refer standalone financial statement

B. For information on Capital Commitment, refer standalone financial statement

C. Breakup of Capital work in progress comprises of assets under construction which are as under :-

Particulars	As on 31-Mar-21	As on 31-Mar-20
Plant & Equipment	378.08	45.54
Buildings	545.83	19.62
Directly attributable cost relating to project:		
Salary Expenses	84.56	22.17
Professional Fees	256.65	85.87
Other Expenses	3.79	1.26
Total	1,268.91	174.46

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

3 Intangible assets

Particulars	Technical Knowhow	Computer Software	Total
Gross Carrying Amount / Deemed Cost			
As at 1st April 2020	1,464.61	103.06	1,567.67
Additions		2.11	2.11
Disposals	-	-	-
As at 31st March 2021	1,464.61	105.17	1,569.78
Accumulated Amortisation			
As at 1st April 2020	1,271.33	56.19	1,327.52
Amortisation charge for the year	193.15	25.54	218.69
As at 31st March 2021	1,464.48	81.73	1,546.21
Net Carrying Amount			
As at 1st April 2020	193.28	46.87	240.15
As at 31st March 2021	0.13	23.44	23.57

Particulars	Technical Knowhow	Computer Software	Total
Gross Carrying Amount / Deemed Cost			
As at 31st March 2019	1,464.50	101.96	1,566.46
Additions	0.11	1.10	1.21
Disposals			
As at 31st March 2020	1,464.61	103.06	1,567.67
Accumulated Amortisation			
As at 31st March 2019	953.98	35.23	989.21
Amortisation charge for the year	317.35	20.96	338.31
As at 31st March 2020	1,271.33	56.19	1,327.52
Net Carrying Amount			
As at 31st March 2019	510.52	66.73	577.25
As at 31st March 2020	193.28	46.87	240.15

4 Right of use - Lease

Particulars	Lease-Land	Lease- Buildings	Total
Gross Carrying Amount / Deemed Cost			
As at 1st April 2020	631.83	180.26	812.09
Additions	-	-	-
As at 31st March 2021	631.83	180.26	812.09
Accumulated Amortisation			
As at 1st April 2020	26.83	48.93	75.76
Amortisation charge for the year	13.04	55.46	68.50
As at 31st March 2021	39.87	104.39	144.26
Net Carrying Amount			
As at 1st April 2020	605.00	131.33	736.33
As at 31st March 2021	591.96	75.87	667.83

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

Particulars	Lease-Land	Lease- Buildings	Total
Gross Carrying Amount / Deemed Cost			
As at 31st March 2019	-	-	-
Additions	-	180.26	180.26
Transfer due to Ind AS116 transition	631.83	-	631.83
As at 31st March 2020	631.83	180.26	812.09
Accumulated Amortisation			
As at 31st March 2019	-	-	-
Amortisation charge for the year	8.05	48.93	56.98
Transfer due to Ind AS116 transition	18.78	-	18.78
As at 31st March 2020	26.83	48.93	75.76
Net Carrying Amount			
As at 31st March 2019	-	-	-
As at 31st March 2021	605.00	131.33	736.33

Notes:

- Lease hold Land - lease period ranging from 30 to 99 years.
- The title deed of leasehold land having net book value of ₹ 569.57 (March 31, 2020 : ₹ 581.47) is in the name of the entity that got merged with the Company. Necessary steps have been taken to transfer the same in the name of Company.
- Refer standalone financial statement for Leases.

5 Other Financial Assets - Non Current

Particulars	As on 31-Mar-21	As on 31-Mar-20
Non-current		
Considered good		
Security Deposits with Government and Others	173.01	154.27
Bank Deposits with maturity more than 12 months (Security against Guarantee given)	180.60	171.05
Recoverable in respect of acquired business	45.35	48.07
Recoverable in respect of acquired business - Impaired	-	13.94
Less: Allowance for bad and doubtful recoverable	-	(13.94)
Total	398.96	373.39

6 Other non - current assets

Particulars	As on 31-Mar-21	As on 31-Mar-20
Capital advances	684.09	63.51
Total	684.09	63.51

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

7 Inventories

Particulars	As on 31-Mar-21	As on 31-Mar-20
Raw Materials	9,574.58	6,145.75
Raw Materials - in Transit	2,112.58	1,157.19
Work-in-progress	4,731.91	4,705.19
Finished goods	2,272.76	2,443.55
Finished goods - in Transit	3,209.54	1,073.94
Stores, Spares and Packing Materials	836.63	690.50
Stores, Spares and Packing Materials - in Transit	20.70	18.31
Total	22,758.70	16,234.42

Notes

- 1 Refer standalone financial statements for the details in respect of inventories hypothecated /mortgaged as security for borrowings.
- 2 Inventories written down are accounted, considering the nature of inventory, aging, liquidation of plan and net realisable value. Write-down of inventories amounted to ₹ 597.80 lakh (P.Y. ₹ 303.66 lakh). These write down recognised as an expense under "Raw Material Consumption" and "Changes in value of Inventory of semi finished goods and finished goods" in statement of Profit and Loss.

8 Trade receivables

Particulars	As on 31-Mar-21	As on 31-Mar-20
Trade Receivables considered good - Unsecured	18,790.69	15,143.68
Trade Receivables which have significant increase in Credit Risk	127.93	-
Trade Receivables - credit impaired	93.71	62.40
Less: Allowance for bad and doubtful debts	(157.67)	(62.40)
Total	18,854.66	15,143.68

Refer standalone financial statements for Currency Risk, Trade Receivables offered as security and Credit Risk

9 Cash and cash equivalents

Particulars	As on 31-Mar-21	As on 31-Mar-20
Balances with Banks		
- In current accounts	629.81	1,715.09
- In deposit accounts having original maturity of three months or less	900.00	-
Cash on hand	8.87	14.77
Total	1,538.68	1,729.86

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

10 Other Bank Balances

Particulars	As on 31-Mar-21	As on 31-Mar-20
Unpaid Dividend	57.26	58.47
Margin Money Accounts <i>(Offered as Security against Bank Guarantee given)</i>	129.06	113.23
Term deposits with original maturity of less than 12 months	286.11	209.54
Total	472.43	381.24

11 Other financial assets - Current

Particulars	As on 31-Mar-21	As on 31-Mar-20
Interest accrued on fixed deposit and others	11.63	21.00
Loan to Staff	56.40	49.44
Insurance claim receivable	4.95	5.13
Other Receivable - Deposit and Government grant	31.09	8.39
Total	104.07	83.96

12 Other current assets

Particulars	As on 31-Mar-21	As on 31-Mar-20
Export benefit receivables	15.61	7.10
VAT Credit Receivable	27.43	83.62
Balances with GST	2,367.35	1,518.65
Advances to Suppliers	1,211.53	692.02
Advances to Staff	25.11	14.65
Prepaid expenses	372.83	384.42
Total	4,019.86	2,700.46

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

13 Equity Share capital

a)	Particulars	As on 31-Mar-21	As on 31-Mar-20
	Authorised		
	Equity shares	3,500.00	3,500.00
	As at 31st March,2021 - 70,000,000 no. of shares at ₹ 5 each.		
	As at 31st March,2020 - 70,000,000 no. of shares at ₹ 5 each.		
		3,500.00	3,500.00
	Issued, subscribed and fully paid up		
	Equity shares	1,682.68	1,682.68
	As at 31st March,2021 - 33,653,576 no. of shares at ₹ 5 each.		
	As at 31st March,2020 - 33,653,576 no. of shares at ₹ 5 each.		
		1,682.68	1,682.68

b) Rights of Equity Shareholders

- The Company has one class of equity shares having a par value of ₹.5 per share. Each shareholder is eligible for one vote per share held.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Reconciliation of number of shares

Particulars	As on 31-Mar-21	As on 31-Mar-20
Equity Shares :		
Balance as at the beginning of the year	3,36,53,576	3,36,53,576
Add: Shares issued during the year	-	-
Balance as at the end of the year	3,36,53,576	3,36,53,576

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As on 31-Mar-21	As on 31-Mar-20
Mr. Dharmil A. Bodani	1,24,78,752	1,24,78,752
	37.08%	37.08%
Mr. Shyamal A. Bodani	1,24,80,000	1,24,80,000
	37.08%	37.08%

e) For a period of 5 years immediately preceding the balance sheet date, the company has:

Particulars	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
Share issue on Subdivision of Shares	-	-	84,13,394	-	-
Share issue on Bonus	-	-	1,68,26,788	-	-
Shares issued for consideration other than cash	-	-	-	32,79,720	-
Bought back any shares issued	-	-	-	-	-

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

14 Other Equity

Particulars	As on 31-Mar-21	As on 31-Mar-20
A. Summary of Other Equity balance.		
Capital Reserve on Amalgamation	266.74	266.74
General Reserve	4,275.12	4,275.12
Retained Earnings	49,705.38	40,353.09
Items of other comprehensive income	(195.81)	(160.22)
Foreign Currency Translation Reserve	(5.44)	(3.43)
Total	54,045.99	44,731.31

B. Nature and purpose of reserves

- a) **Capital Reserve on Amalgamation** : During business combination, the excess of net assets taken over the cost of consideration paid is treated as capital reserve.
- b) **General Reserve** : The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.
- c) **Retained Earnings** : Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholder.
- d) **Foreign Currency Translation Reserve** : This reserve contains the accumulated balance of foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation whose functional currency is other than indian rupees. Exchange differences previously accumulated in this reserve are reclassified to profit or loss on disposal of the foreign operation.
- e) **Items of other Comprehensive income** : Difference between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustment within the plans, are recognised in 'Other Comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

15 Non Current Financial Liabilities - Borrowings

Particulars	As on 31-Mar-21	As on 31-Mar-20
<u>Secured</u>		
Term loan from a Bank	-	152.95
Total	-	152.95

For terms and conditions - Refer standalone financial statements

16 Non Current Financial Liabilities - Others

Particulars	As on 31-Mar-21	As on 31-Mar-20
Finance Lease	23.61	84.35
Total	23.61	84.35

Refer standalone financial statement for Leases.

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

17 Non Current Financial Liabilities - Others

Particulars	As on 31-Mar-21	As on 31-Mar-20
Provision for employee benefits :		
Provision for Gratuity	-	17.38
Provision for Compensated Absences	246.15	159.25
Total	246.15	176.63

Refer standalone financial statement for Disclosure regarding Defined benefit Plans

18 Current Financial Liabilities - Borrowings

Particulars	As on 31-Mar-21	As on 31-Mar-20
Secured		
Working Capital Loan from Banks	6,785.87	4,311.06
Unsecured		
Working Capital Loan from Banks	1,000.00	-
Total	7,785.87	4,311.06

For terms and conditions - Refer standalone financial statements

19 Trade payables

Particulars	As on 31-Mar-21	As on 31-Mar-20
Due to micro enterprises and small enterprises	424.67	846.28
Due to creditors other than micro enterprises and small enterprises	6,662.58	4,717.19
Total	7,087.26	5,563.47
Refer Note no. 34 for related party disclosure		
The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:		
1) Principal amount remaining unpaid	424.67	846.28
2) Interest due on above and the unpaid interest	0.94	0.73
3) Interest paid	-	-
4) Payment made beyond the appointed day during the year	-	-
5) Interest due and payable for the period of delay	-	-
6) Interest accrued and remaining unpaid	-	-
7) Amount of further interest remaining due and payable in succeeding years	-	-

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

20 Other financial liabilities

Particulars	As on 31-Mar-21	As on 31-Mar-20
Current maturities of long-term debt	-	611.76
Interest Accrued but not Due on Borrowings	9.00	32.73
Unclaimed Dividend	57.26	58.47
Finance Lease	60.73	53.91
Payable towards capital expenditure	457.77	388.73
Total	584.76	1,145.60

Refer standalone financial statement for Leases.

21 Other Current liabilities

Particulars	As on 31-Mar-21	As on 31-Mar-20
Advance from customers	50.56	53.90
Statutory Dues	194.06	159.86
Total	244.62	213.76

22 Provisions

Particulars	As on 31-Mar-21	As on 31-Mar-20
Provision for employee benefits :		
Provision for Gratuity	105.11	117.19
Provision for Compensated Absences	31.12	49.95
Total	136.23	167.14

Refer standalone financial statement for Disclosure regarding Defined benefit Plans

23 Revenue from Operations

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Sale of Manufactured Products		
Contracted Price	71,050.30	76,193.36
Less: Trade Discount, Volume Rebate etc	(355.90)	(340.91)
Other operating revenue		
Export Incentives	84.85	77.20
Process waste sale	94.45	49.64
Royalty Income	9.85	10.16
Total	70,883.55	75,989.45

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

24 Other income

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Rent and Compensation	3.52	5.05
Taxes refund and Interest thereof	10.40	79.93
Foreign Exchange Gain (net)	80.02	545.75
Other non-operating income	71.47	32.38
Total	165.41	663.11

25 Cost of materials consumed

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Raw Materials consumed	41,452.12	48,630.94
Total	41,452.12	48,630.94

26 Changes in inventories of finished goods, Stock-in-Trade and work-in progress

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Opening inventories		
Finished goods	3,517.49	2,762.70
Work-in-progress	4,705.19	4,557.37
Closing inventories		
Finished goods	(5,482.30)	(3,517.49)
Work-in-progress	(4,731.91)	(4,705.19)
Total	(1,991.53)	(902.61)

27 Manufacturing and Operating Costs

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Consumption of Spares Parts	1,197.35	1,295.11
Power and Fuel	3,377.44	3,572.86
License Fees (Technical Knowhow)	346.43	432.34
Other Manufacturing and Operating Expenses	2,283.61	2,022.50
Repairs to Buildings	114.66	133.27
Repairs to Machinery	527.82	622.13
Total	7,847.31	8,078.21

28 Employee benefits expense

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Salaries and wages	3,441.81	3,143.49
Contribution to provident funds and other funds	182.24	191.38
Defined benefit plan expense	164.85	74.07
Workmen and Staff welfare expenses	157.38	172.19
Total	3,946.28	3,581.13

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

29 Finance costs

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Interest expense	131.75	682.30
Foreign Exchange loss on borrowings	59.49	461.48
Other borrowing costs	39.81	48.68
Total	231.05	1,192.46

30 Depreciation and amortization expense

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Depreciation on Property, Plant and Equipment	1,458.74	1,506.57
Amortization on Right to use - leases	68.50	56.98
Amortization on Intangible assets	218.69	338.31
Total	1,745.93	1,901.86

31 Other expenses

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Rent	5.96	20.60
Insurance	295.03	283.90
Rates and Taxes	114.41	186.44
Repairs & Maintenance Others	69.85	63.05
Auditor's Remuneration and Expenses	23.54	22.26
Legal and Professional Expenses	671.58	457.17
Directors Sitting Fees	22.30	21.20
Bad Debts	1.27	51.58
Less:- Provision utilised against bad debts	-	(22.55)
Provision for doubtful Debts	95.27	26.82
Freight Expenses	1,266.02	1,250.15
Commission on Sales	179.75	142.44
Sales Promotion Expenses	66.93	105.30
Travelling Expenses	50.57	298.14
Corporate Social Responsibility Expenses	378.00	120.00
Net Loss on Sale / Discard of Property, Plant and Equipment	73.45	9.97
Expected Loss in Subsidiary	-	20.86
Miscellaneous Expenses	808.05	823.40
Total	4,121.98	3,880.73

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

32 Composition of the Group

Information about the composition of the Group is as follows:

Particulars	Place of Incorporation	Shareholding (In %)	
		As at 31-Mar-21	As at 31-Mar-20
Oriental Aromatics & Sons Limited (Incorporated during the last year) (Business yet to be commencement)	India	100%	Not applicable
PT Oriental Aromatics (Proposed to be Liquidated) (Business of Aroma Chemicals)	Indonesia	99%	99%

33 Earnings per share

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Earnings Per Share has been computed as under:		
Profit for the year	10,193.76	8,618.89
Weighted average number of equity shares outstanding (in Numbers)	3,36,53,576	3,36,53,576
Basic and diluted Earnings Per Share (₹) (Face value of ₹ 5 per share)	30.29	25.61

34 Related Parties Disclosure

Other Parties with whom the Company has entered into transactions during the year :

i) Enterprises over which Key Managerial Personnel are able to exercise significant influence

Keshavlal V. Bodani Education Foundation.

Arofine Chemicals Industries (w.e.f. 27.05.2019)

Vaishnavi Chemicals Private Limited (w.e.f. 27.05.2019)

ii) Key Management personnel and relatives :

Mr. Dharmil A. Bodani (Chairman and Managing Director)

Mr. Parag Satoskar (Chief Executive Officer w.e.f. 27.05.2019)

Mr. Shyamal A. Bodani (Executive Director)

Mr. Girish Khandelwal (Chief Financial Officer)

Mr. Animesh Dhar (Executive Director - Operations till 21.07.20)

Mrs. Kiranpreet Gill (Company Secretary)

Mr. Satish Ray (Executive Director - Operations)

Mrs. Indira Bodani (Relative KMP)

Mr Bhadreshkumar Pandiya (Executive Director - Operations w.e.f 10.08.20)

Mrs. Anita Satoskar (Chief Technical Officer) (Relative of KMP w.e.f. 27.05.2019; KMP w.e.f. 25.03.2021)

iii) Non-Executive Independent Director:

Mr. Harshvardhan A. Piramal

Mr. Prakash V. Mehta

Mr. Ranjit A. Puranik

Ms. Amruda V. Nair

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

Transaction with the Related Parties

1 Compensation to Key Management Personnel

Sr No	Particulars	2020-21	2019-20	Balance as on 31-Mar-21	Balance as on 31-Mar-20
1	Short term employee benefits	512.28	432.27	(35.30)	(33.82)
2	Post-employment benefits*	-	-	-	-

*Key Managerial Personnel and Relatives of Key Managerial Personnel who are under the employment of the company are entitled to post employment benefits and other long term benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

2 Disclosure in respect of material transaction with related parties

Sr No	Particulars	Nature of transaction	2020-21	2019-20	Balance as on 31-Mar-21	Balance as on 31-Mar-20
1	Keshavlal V. Bodani Education Foundation	Donation (Included in CSR Expenses)	373.80	113.75	-	-
2	Mr. Dharmil A. Bodani	Remuneration	206.26	201.80	(11.60)	(14.38)
3	Mr Shyamal A. Bodani	Remuneration	109.08	109.08	(9.37)	(9.09)
4	Mr. Animesh Dhar	Remuneration	33.84	33.46	-	(2.70)
5	Mr Bhadreshkumar Pandiya	Remuneration	17.06	-	-	-
6	Mr. Satish Ray	Remuneration	21.04	21.00	-	(1.62)
7	Mr. Parag Satoskar	Remuneration	46.90	24.90	(14.33)	(2.45)
8	Ms. Anita Satoskar	Remuneration	29.40	24.90	-	(2.45)
9	Mr. Girish Khandelwal	Remuneration	36.24	31.17	-	(2.63)
10	Ms. Kiranpreet Gill	Remuneration	12.46	10.86	-	(0.96)
11	Ms. Indira Bodani	Remuneration	23.26	21.63	-	(1.80)
12	Non-Executive Independent Director	Directors sitting fees	22.30	21.20	-	-
13	Vaishnavi Chemicals Private Limited	Rent Expenses	30.24	22.68	-	-
		Provision made against Receivable	-	5.48	13.48	16.20
14	Arofine Chemicals Industries	Provision made against Receivable	-	8.46	37.02	37.02

Note :

- 1 No amount in respect of related party have been written off/provided for during the year.
- 2 Related parties relationship have been identified by the management and relied upon by the auditors.
- 3 Terms and conditions of transactions: the transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions and market rates.
- 4 Figures in brackets are represents amount payable.

Notes to the consolidated financial statement

For The Year Ended 31st March, 2021

INR (In Lakh)

35 Operating segment

The Company is engaged in the business of manufacture of Fine Chemicals, considering its business activities primarily operated within India and reviewed by the Chairman and Managing Director to make decisions about resources to be allocated to the segment and assess its Performance. Accordingly, the Company has only one business segment.

The information relating to revenue from external customers of its single reportable segment has been disclosed as below:

Revenue from operations

Particulars	As on 31-Mar-21	As on 31-Mar-20
Within India	51,393.58	53,889.65
Outside India	19,489.97	22,099.80
Total	70,883.55	75,989.45

36 There are only two subsidiaries company including one foreign subsidiary company with insignificant transactions. The accounting policies and notes to accounts being similar to that of the holding company as stated in standalone financial statements are not appended hereto.

37 The previous year's figures have been re-grouped / re-classified wherever required to conform to current year's classification.

All figures of financials has been rounded off to nearest lacs rupees.

Signatures to Notes 1 to 37 which form an integral part of the consolidated financial statement.

For and on behalf of the Board of Directors

Dharmil A. Bodani
Managing Director
DIN : 00618333

Shyamal A. Bodani
Executive Director
DIN: 00617950

Parag Satoskar
Chief Executive
Officer

Girish Khandelwal
Chief Financial Officer

Date : 10th May, 2021
Place : Mumbai

Kiranpreet Gill
Company Secretary

If undelivered, Please return to:
Registrar & Share Transfer Agent
Link Intime India Private Limited
C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083.
Unit: *Oriental Aromatics Ltd.*